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24 February 1981

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ANALYSIS, REPORT ON THE 'ENERGY CRISIS'

Bogota EL ESPECTADOR in Spanish 2, 3, 4 Jan 81

[Article by Rafael Mendoza]

[2 Jan 81, pp 1-A, 12-A]

[Text] Money, Not Energy, in Crisis

"In Colombia there is no energy crisis . . . the crisis involves money." This statement made by a high ICEL [Colombian Electrical Power Institute] official plainly reveals the cause of the power outages which render housewives hysterical when they are deprived of their stoves precisely at lunchtime, which have long worried the industrialists who cannot find a way to keep their equipment functioning, which are upsetting all activities and which in the long run are entirely paralyzing the development of the country.

The situation we are experiencing is cruel, and not so much because we are without light but because we might even be the laughingstock of many, since we have an excess of energy resources. Currently we are using only 3.8 percent of the hydroelectric potential the country has. Currently 3,500,000 kilowatts are being generated in Colombia, whereas there is a potential to be developed estimated at 93 million kilowatts.

The technical, administrative and operational capacity is available. Complex studies have been made, and the problem is understood in all its dimensions. But the money needed to undertake giant projects with the necessary speed is lacking.

"The basic problem is of a financial nature, arising from the large volume of the investments required, the need for speedy development which is felt by a large part of our population, and the failure to establish flexible and efficient methods for financing them. We face the great challenge of generating the funds needed for the development of an energy potential which the industrialized nations envy." (report of the Autonomous Regional Corporation of the Cauca-CAV)

Motive Force of Development

A study of world use of energy and electricity per capita, in which the 1972-1977 period was analyzed for 165 countries, with data gathered by the Energy Statistics

Section of the United Nations, showed that economic growth is more related to the increase in the use of electricity than the use of total energy. Therefore many countries, beginning with the United States, have made energy supply one of their major challenges and have given it the highest priority through conservation and the development of new sources. The averages reveal that the per capita increase in the gross national product was closely linked to the per capita increase in the use of electricity. This shows that the main role of electricity is as a "locomotive," or motive force for economic growth. "The establishment of an electrical infrastructure capable of providing adequate service is indispensable to the development of the industrial sector and a modern agricultural sector, the pillars of a developed economy. Given this reality, it is essential that governments recognize the great importance of the sector, stress it among their leading national priorities, and provide enterprises with financial tools necessary for their expansion programs" (report of the CAV)

Plants Paralyzed

The crisis the country is experiencing today is a tragicomedy. If it were not for the tremendous repercussions the current rationing has, one might be tempted to laugh. For Colombia today has the plants needed to generate the electricity which is required, but it has had to leave them shut down for lack of water. The dams necessary to guarantee that this costly equipment can function at full capacity have not been built, and although we have been told of a solution planned for early 1982--if it rains--the truth is that the solution is over a longer time period, perhaps up to 1990, when projects on the scale of Salvajina, Betania, Guavio, and in particular Urrea, are in operation. Then the reservoirs, which have a maximal capacity today of 3,500,000,000 cubic meters, will have a capacity of 21,254,000,000.

On whom can the blame for what is happening be placed?

The most obvious answer--and many officials have had recourse to it--is that the problem is basically due to the lack of rainfall, to the dry years we have experienced (with, on the other hand, winters which have destroyed all the roads, caused hundreds of tragedies, and flooded vast regions), causing a decline in these 3,500,000,000 cubic meters to only 1,500,000,000.

The ICEL officials state categorically that if there is a sector which has left nothing to luck, which has made the necessary long-term plans and studied and implemented projects, it is the hydroelectric sector. For a number of years projections of national energy demands have been drafted and the projects which should be put into operation in accordance with the needs have been designed.

But this plan is lagging, and perhaps this delay is more to blame than San Pedro for the current rationing. The causes are various and we will deal with them in the first part of our next article.

[3 Jan 81, p 11-A]

[Text] Rate Increase Inevitable

Some 3 years ago the electric energy enterprises published notices in the newspapers urging housewives to replace their gas stoves with electric ones. Today these same enterprises would like the many people who heeded them to use gas, methylated spirits, oil, coal or wood.

To what is such a radical change in such a short time due?

Mainly to the limited capacity of the reservoirs necessary to operate the plants --today called a water shortage--and the lag seen in the programs.

This lag has resulted from legal reasons, technical difficulties, neglect on the part of some officials and above all a lack of money. Let us examine these one by one.

Legal Problems. Some time ago the Council of State ruled that the contract for the building of Termopaipa III was illegal, and it required a complete revision of it. This delayed the project, which should already have been commissioned, for several months. All that is needed is for one of the hundreds of steps necessary to be shelved in order for the whole to lag. The ICEL officials say that the statutes for administrative contracting are too rigid, such that the same steps are required to purchase a luxury vehicle or a hydroelectric unit which the country urgently needs.

Technical Problems. In a project of the magnitude of a hydroelectric plant, it is usual to encounter problems which were not foreseen in the studies, such as if, for example, in digging a tunnel, rock is encountered which delays the work. These are difficulties which are always taken into account but which cause dramatic delays when an emergency situation such as that from which we are suffering exists.

Official Negligence. In recent days engineering contractors have criticized the hindrances encountered in any procedure, and they note that to import a simple engine 72 different steps and a 6-month wait are required. The hydroelectric plants are also subject to this bureaucracy, and the red tape itself serves to delay the proceedings. At the treasury ministry, for example, there are officials who take a month to sign a document which is essential. When it comes to international loans, the embassies and the diplomatic procedures outdo all other delays in terms of slowness.

Any delay of this sort hinders the work by several months or even years.

Lack of Money. But what causes the most problems is the physical lack of money being experienced by the various enterprises. The contractors have protested loudly because they are owed some 1,500,000,000 and because they will have to halt the work while enterprises desperately look for resources to finance new projects.

Of the funds used by the electrical enterprises in recent years, only some 23.3 percent came from their own resources. The greater part of the money came from foreign credit and national budget allocations. But the nation pays out the funds it provides with an eyedropper, and naturally this causes delays. For example, the ICEL asked for 600 million for one of its projects in 1981, and in the end, it is only going to get about 150. The institute officials understand this situation and they explain now that the government must cope on many fronts and has to distribute its allocations for education, defense, health, etc., etc.

The cost of the delay can be illustrated by an extreme example: the building of the Barrancabermeja thermoelectric power plant in 1972 cost 248 million, while if it were to be built today, the total would come to 2,500,000,000.

Increase in Rates

With or without rationing, the increase in rates is inevitable, those in the know say, expressing the belief that the ideal would be for the sector to be self-sufficient, generating its own resources. The projects which must be undertaken will require sizable investments (the cost for Betania has been estimated at \$600 million). Generating a kilowatt of energy costs 50,000 pesos, and to this must be added 25 percent for transmission and distribution.

"The maintenance of an automatic monthly adjustment in rates is absolutely indispensable in order to establish a firm basis for the generation of internal resources. These tariff increases will have to be substantially larger than the annual rates of inflation. To avoid problems of a social and political nature in the application of these rates, subsidies or internal transfers among the various sectors should be maintained. In the CVC [Autonomous Regional Corporation of the Cauca Valley], we have drafted a rate scheme in which the industrial and commercial rates are substantially higher than the total average invoicing, which is reflected in a required average residential rate which is lower than the general average. We have established some highly progressive rates for this residential sector, with relative differences up to 7:1 between the high and low consumption levels" (report of the CVC)

This same CVC stresses that unlike other economic sectors, the electrical sector does not have an adequate internal financing system, and the internal financing mechanisms create an infinite number of problems in national fiscal and monetary management. Therefore, in the view of the National Planning Department, the solution will basically lie in the creation of a financial fund to accumulate voluntary medium-term savings, profitable to manage and to allocate for sectorial credit.

[4 Jan 81, p 5-A]

[Text] Time to Think Big

There is not an energy crisis, but rather a monetary one, we said in our first article, and this is a certainty because of the vast hydroelectric resources the country has, but which would cost a fortune to put to use.

"In Colombia there is a hydroelectric potential to be developed estimated at 93 million kilowatts. Presuming an actual average cost of \$800 U.S. per installed kilowatt, the total sectorial investment solely for hydroelectric power generation comes to the staggering figure of \$74,400,000,000 in 1980. If 50 percent of the above figure must be financed by means of foreign loans and must be developed in the next 30 years, the enterprises in the sector will have to search the entire range of possible financing forces to obtain an average of \$1,100,000,000 U.S. per year." (CVC report)

Thinking Big

The solution to the crisis, on which the entire future of the country depends, cannot be achieved by hoping that San Pedro will take pity and send rain, or that as in the Macondo of Garcia Marquez it will rain without interruption for several years. The only alternative is to build the necessary projects, to protect nature, which is potentially immensely rich, and to teach people to use energy rationally which coping with the emergency.

The most important plants under construction are Zipaquira IV, with 66 megawatts; Chivor II, with 500; Paipa II, with 66; Paraiso-La Guaca, with 600; expansion of Guadalupe, with 100; San Carlos I, with 620; Cerrejon I, with 150; Tasajero, with 132; San Carlos II, with 930; and Jaguas, with 170 megawatts, all planned for completion in 1983. By then the reservoir capacity will have increased somewhat with Chingaza I and San Lorenzo, in Antioquia, and the total power generated should reach 7,364 megawatts.

But there are still problems with the financing of these projects. San Carlos is marking time, and a number of others are now behind schedule.

In the medium time range, between 1984 and 1988, the installed capacity should be increased to 10,539 megawatts. Several plants will go into operation: Cerrejon, with 150 megawatts; Guadalupe IV, with 260; Betania, with 500; Playas, with 240; Guavio, with 975, and Urrea I and II, with 1,050 megawatts, while the reservoir capacity should reach 21,254,000,000 cubic meters, with a basic contribution made by Urrea, in Cordoba, with 15,354,000,000.

The projections made for the year 2000 indicate that the average installed capacity should be 23,622 megawatts, with a maximum of 27,595.

Other Projects

It is not enough to build power plants alone. Costs are rising, and then this energy must be distributed and made available to the users. In addition, it is necessary to consider the possibility that the present thermoelectric power plants may have to be converted, because of the daily increase in costs, to utilize coal. It is necessary to work on plans for solar and atomic energy on which only the very first studies have been begun in this country.

Conclusions

In an orientation and information program organized by the ICEL, engineer Jose Montana said the following:

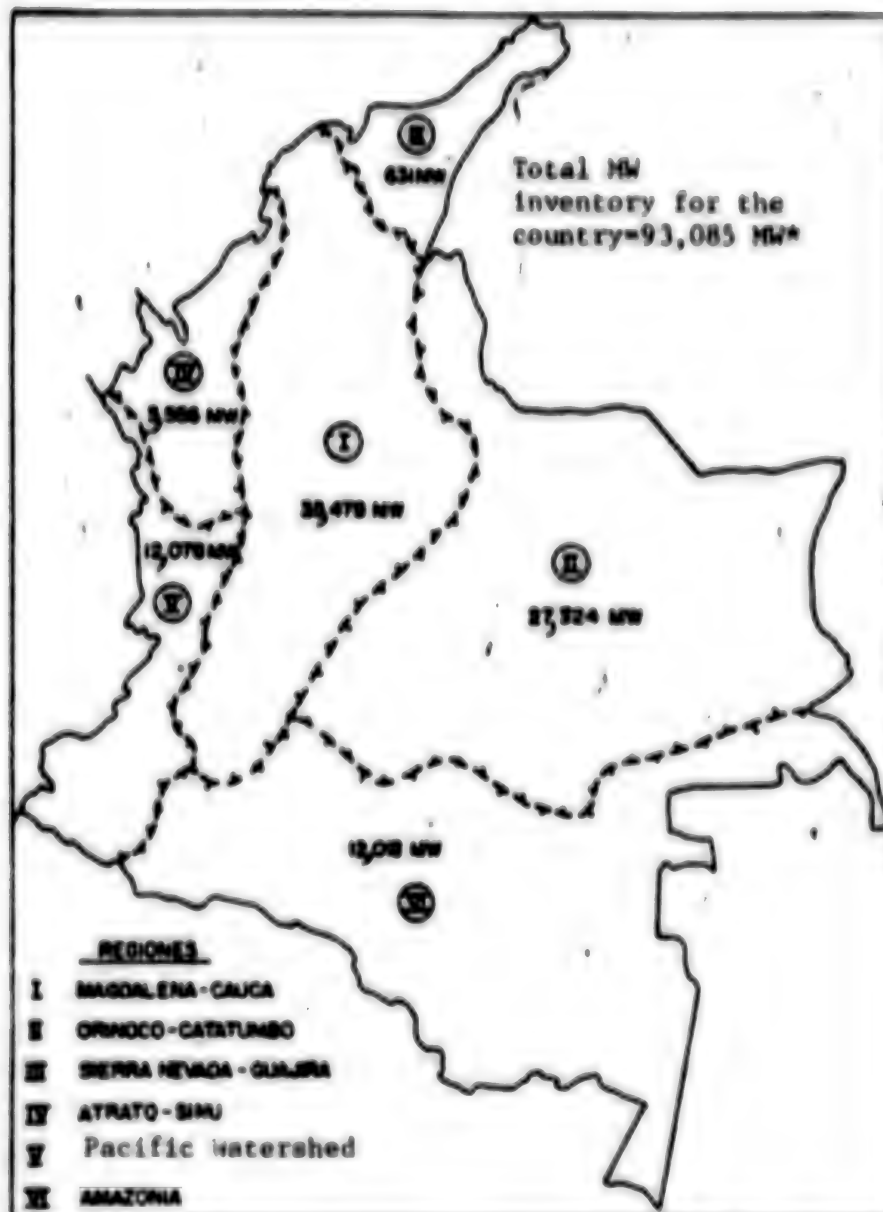
"From a study of the main outlines of the energy picture in Colombia, we can conclude that the electrical energy sector represents the great alternative, given the critical hydrocarbon situation. The investment figures are considerable, but justifiable from the point of view of development and recovery. And if it is a matter of hydroelectric power, this can with even greater justification be regarded as the true alternative for our country, because a renewable source is involved.

"All that remains is to answer the following questions: Will it be possible to succeed in altering our Colombian thinking, which is in indiscriminate fashion destroying the woods and forests in general, which nature provided to guarantee us an everlasting supply of one of the most vital of elements, water?

"Can we penetrate the thinking of Colombians in order to avoid the waste of electrical energy, and to guide the citizens instead toward efficient use, in order to achieve the true development of our economy?"

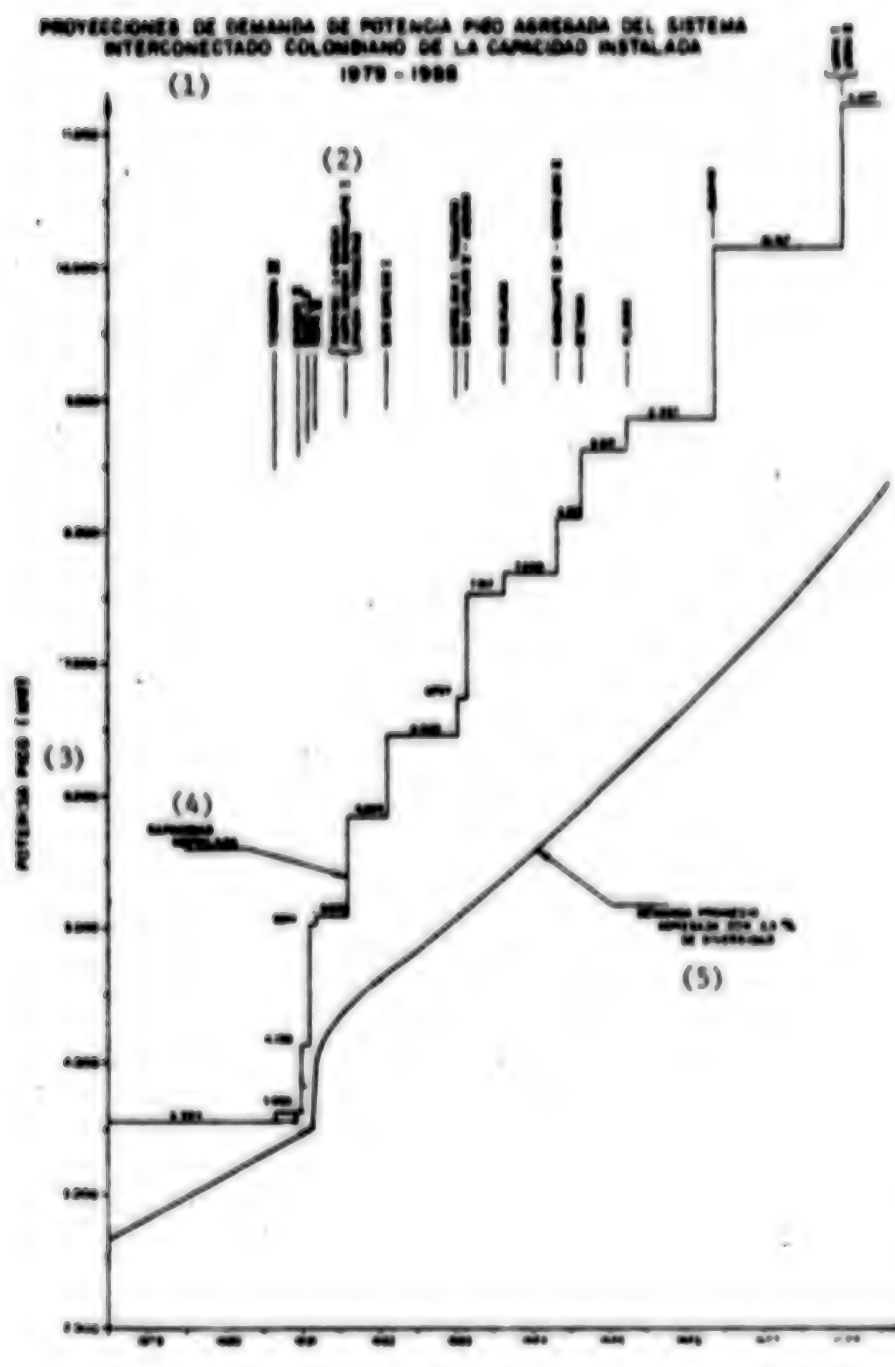


View of cooling lake, planned location for the building of the third energy generating unit of the Paipa Thermoelectric Power Plant.



*Including projects in operation and in the construction, design, feasibility, prefeasibility and survey stages.

This ICEL map shows the sad energy reality in Colombia. The country can produce 93,085 megawatts, but today it is generating only 3,500, i.e. 3.8 percent of the potential, much less than what could be achieved in the "poorest" sector alone, which is Atrato-Sinu.



This ICEL chart shows the projections for the period between 1979 and 1988. Where installed capacity is concerned, the schedule has not been met due to delays at some projects.

Key:

1. Aggregate peak power demand projections for the interlinked Colombian installed capacity system, 1979-1988
2. Paraiso-La Guaca; expansion of Guadalupe I; Ayura-Troneras
3. Peak power (MW)
4. Installed capacity
5. Average aggregate demand with 2.5 percent variation

VENEZUELAN TRADE INSTITUTE REVIEWS CARIBBEAN ACTIVITY

Caracas EL UNIVERSAL in Spanish 3 Jan 81 Section 1 p 16

[Text] The rediscovery of the Caribbean as a potential market for Venezuelan products and goods has been one of the vital steps toward the future development of domestic exports, the experts at the Foreign Trade Institute (ICE) said in their report on activities for 1981.

Venezuela has focused on intensive relationships with the nations in the Andean Subregional Pact in its integration efforts, but this year, without neglecting that involvement, a notable turn toward the complex of nations located in the Caribbean region has occurred.

A number of businessmen and trade missions have traveled to the various islands in the region and have negotiated service agreements, as is the case with the Servial enterprise, affiliated with the Corimon Group, which signed a contract for 450 bolivares--small, but significant--for road signs, both horizontal and vertical, on the various main roads in the Curacao area.

The report stresses the drafting of various agreements with the Arab nations, making it possible to strengthen links with the OPEC member nations, which had formerly been maintained in the oil sector alone.

The following is a summary of these activities:

Bilateral Latin American Policy

Pursuing the policy of closer links between Venezuela and this region, and responding to the desire of our government to strengthen the traditional bonds of friendship which unite us, a series of cooperative actions have been carried out with the countries in this area.

During the visit paid by President Luis Herrera Campins to:

a) Costa Rica, in June of 1980, the heads of the two countries signed a joint declaration designed to strengthen the political, economic, cultural and social links which unite the two nations still further. This statement announced the creation of a mixed Venezuelan-Costa Rican commission, which will have the responsibility, among others, of carrying out the provisions of the Basic Economic and Trade Cooperation Agreement signed by the foreign affairs ministers of the

two nations. This basic agreement calls for cooperation in the agricultural and agroindustrial fields and on infrastructure projects.

In order to launch the execution of the provisions both of the declaration and the agreement, an exploratory visit was made to San Jose, during which the mutual interest in putting the mixed Venezuelan-Costa Rican commission in operation as soon as possible was evident, as were the broad possibilities for the signing of a cooperation program by the Venezuelan Foreign Trade Institute and the Costa Rican Investment and Exports Promotion Center (CENPRO). These possibilities became a reality in December, when the signing of such a program was carried out in Caracas.

The visit paid, in which the FINEXPO [Financing and Export Fund] and Venezuelan exporters also participated, revealed extensive prospects for trade and mutual cooperation.

Caribbean

The Caribbean area is of vital importance within the international policy our national government is pursuing. In recent years, Venezuelan relations with the Caribbean have been becoming more intensive through the various accords and agreements signed with a number of countries in the region, as well as the exchange of government missions to study and analyze mutual cooperation.

b) Dominican Republic

With a view to establishing areas of mutual interest and to submitting recommendations at the next meeting of the mixed Dominican-Venezuelan commission, a seminar on cooperation between the two countries was held in the city of Santo Domingo in April of 1980, at which the potential for strengthening relations in areas of mutual interest such as energy and mining, product marketing, renewable natural resources, human resources and financial cooperation was studied.

Later, at the invitation of the chief executive of the Dominican Republic, President Luis Herrera Campins, an official visit was made to this country between 7 and 9 October 1980. During this visit, the two presidents indicated their interest, through a joint statement, in providing greater impetus to bilateral cooperation.

To this end, the foreign ministers of the Dominican Republic and Venezuela signed an agreement for a cooperation program between the two countries, based on the recommendations made by the seminar mentioned. This document includes an economic and trade cooperation arrangement between the Foreign Trade Institute and the Dominican Center for Export Development (CEDOPEX), designed to increase the potential for intensifying and diversifying the trade flow between the two countries.

Consistent with the cooperation program provisions, a trade mission made up of representatives of the public and private sectors was dispatched with the assignment of promoting the placement of Venezuelan products and services in the

Dominican Republic, and analyzing the possibilities for making purchases of various products on that market, in order to establish a stable and reciprocal trade flow.

c) Trade Mission to OPEC Countries

In 1980, Venezuela continued the policy of approximation toward the OPEC member countries, with a view to strengthening the unity of the organization and making the bilateral relations with these countries still closer. An evidence of this approach was seen in the official visit paid by Dr Luis Herrera Campins, the president of the republic, to Arab member nations of the OPEC in February of this year.

Subsequent to this visit, the Foreign Trade Institute organized and headed a mission made up of representatives of the public and private sectors and assigned the task of exploring possible areas for the encouragement of trade exchange, establishing areas for cooperation, and given the potential of our country for developing the export of services in the civil engineering field, to study the potential for participation by Venezuelan enterprises in the design and execution of projects of this sort in the OPEC member countries.

d) United States

One of the most important facts during this year's trade relations between Venezuela and the United States was the elimination of the anti-OPEC clause in the U.S. trade law, which discriminated against Venezuela and Ecuador in Latin America. Thanks to the signing of a memorandum of understanding between the Andean Group and the United States, our country joined the group of nations benefiting from priority treatment by the United States as of 1 April, so that the nontraditional products Venezuela exports to that country, if they are included on the priority lists, can reach the United States market exempt from customs duties.

e) Japan

With a view to strengthening the economic and trade links between Venezuela and Japan, the president of the ICE paid a visit to that country in the month of January.

During his stay in Tokyo, he met with representatives of the Japanese Government to discuss the foreign policy of Venezuela, its activities in the regional and subregional fields, the scope and intent of Decision 24, bilateral and multi-lateral financial cooperation, and Venezuela's position on energy issues. He also met with a group of businessmen representing major Japanese corporations which maintain relations with Venezuela.

Both the Japanese officials and the Venezuelan representatives stressed the need to expand the links between the two countries, in the areas of technical cooperation, joint investments, transfer of technology and training of human resources, in particular. The desirability of promoting closer relations between the Andean Pact nations and Japan was also stressed.

f) Eastern Europe

Where Eastern Europe is concerned, and in order to obtain a more contemporary view, an assessment of the status of Venezuela's relations with the countries in the area, which will cover political, economic, commercial, cultural and technical cooperation considerations, was begun.

Romania

During the second half of 1980, the institute organized the second meeting of the mixed Venezuelan-Romanian commission, which gave new impetus to Venezuela's relations with that country. The Venezuelan representation in that commission was headed by the president of the Venezuelan Foreign Trade Institute.

At that meeting, the subjects of economic and technical cooperation were taken up, and the possibilities existing in the crop-raising and livestock, industrial, scientific data and technological sectors were studied. Also, in the realm of trade cooperation, the development of trade between the two countries during the 1975-1980 period was analyzed, as were mechanisms for increasing reciprocal trade.

A final document which contains the results achieved during this second meeting of the mixed commission, which opened up new specific prospects for cooperation, was signed.

International Economic Bodies

a) The successful conclusion of negotiations on the constituent agreement for the common fund will facilitate the negotiation and the functioning of international agreements or accords on basic products, in particular those of special interest to the countries in the process of development.

Through its first account, the fund will contribute to the financing of international stabilization reserves and national reserves coordinated internationally, all of this within the framework of basic product agreements. Through its second account, it will finance measures for improving the production infrastructure and structural market conditions, and strengthening the competitive capacity and long-term prospects of basic products.

Adoption of the Code on Restrictive Trade Practices

b) Restrictive Trade Practices

The question of restrictive trade practices, meaning the activities of enterprises tending to limit access to markets or competition, thus threatening international trade, has an unfavorable effect on world trade in manufactured products, particularly where the PED are concerned. Control of these practices was recommended by the extraordinary UN General Assembly in 1975. In 1978, a conference was called to negotiate a complex of norms and principles for the control of these practices. The code is designed both for enterprises and nations and its text was adopted as a resolution by the General Assembly in the period of sessions held that year.

c) Economic Cooperation Among Developing Countries

During 1980, the process of cooperation among the developing countries, which represents one of the most promising elements in the effort to reorganize international trade relations, completed the stage of goal definition to embark on the phase of specific measures designed to strengthen collective self-confidence. In this connection, the countries in the process of development have begun negotiations on the establishment of an overall preferential trade system, the sponsoring of cooperation among state foreign trade organizations, and the establishment of multinational marketing enterprises. Notable on the Latin American regional level is the establishment, in close cooperation with the SELA [Latin American Economic System], of a provisional council entrusted with carrying out the work of preparation for the creation of an action committee entrusted with coordinating cooperation among state foreign trade bodies in the food sector. Also as a result of the work of the SELA action committee on fertilizers, the first multinational regional enterprise for the marketing of these products, the MULTIFERSELA [Multinational Enterprise for the Marketing of Fertilizers of the Latin American System] has been created.

d) Latin American Consultation and Coordination Within the Framework of the SELA

In May of this year, the Sixth Ordinary Meeting of the Latin American Council was held in Caraballeda. At that meeting the process of reconciling the positions of the SELA member nations was strengthened, which will facilitate more effective participation by the region in various international forums and bodies. Among the decisions adopted, specifically in the realm of consultation and negotiation, those pertaining to the extraordinary General Assembly of the United Nations devoted to international economic cooperation for development, and that pertaining to cooperation among the developing countries, could be stressed.

Also approved were decisions related to the codes of conduct for international enterprises, the transfer of technology, and that pertaining to the regional position on the results of the administrative council meeting on the United Nations program for development, rejecting the criteria used for that program, which tend to introduce elements discriminatory against the region.

Other aspects covered by the council were those pertaining to the relations of SELA member countries with the European communities, stressing the effect on the region of the future entry of Spain, Greece and Portugal; their relations with the United States, in which connection the holding of a consultative meeting among the SELA member countries in 1981 to analyze the subject on an overall basis was suggested, as well as other decisions pertaining to future contact with the CEMA [Council for Mutual Economic Assistance] and Japan.

The Latin American council also authorized the secretariat to submit a cooperation agreement with the SELA to Spain for consideration, covering the following aspects, among others: salt and sweet water products, crafts, tourism, fertilizers, housing, technological data, pharmaceutical products and capital goods.

In conclusion, it should be stressed that the results achieved at this sixth council provided the member nations and the secretariat with a complex of

guidelines, the full implementation of which justifies a new optimism with regard to the future of the system.

e) Inter-American Economic and Social Council-Organization of American States

In 1980, the 15th meeting of the Inter-American Economic and Social Council (IA-ESOSOC) was held, with the discussions being directed by the president of the Foreign Trade Institute, the official Venezuelan representative to this council.

This occasion was an opportunity for analyzing, among other things, the results of multilateral trade negotiations, the measures recently adopted by the government of the United States in the trade sector, the implementation of the American preferential scheme, and its role in the basic products market of particular interest to the countries of Latin America.

On that occasion, it was recommended to the general assembly of the OAS that an extraordinary meeting of the IA-ESOSOC be held in Caracas during the first half of 1981, for the purpose of setting the overall problems of inter-American relations in cooperation for development under study. All this is being carried out in preparation for a future extraordinary general assembly of the OAS on this subject.

f) Presidency of the Group of 77

As of October of this year, Venezuela assumed the presidency of the Group of 77, an association of countries in the process of development. With the assumption of this responsibility, Venezuela must coordinate the position of the member nations on all the negotiations carried out in the course of 1981 in the system of United Nations bodies. This presidential responsibility represents recognition of the activity and commitment of Venezuela in all the international negotiations pertaining to the reorganization of international economic relations, and commits our country to redoubling its technical and human efforts in the present phase of evaluation and reactivation of the North-South dialog.

5157

CSO: 3010

ALFONSO ROBELO MEETS WITH HERRERA CAMPINS IN CARACAS

Caracas EL DIARIO DE CARACAS in Spanish 22 Jan 81 p 2

[Text] The president of the republic, Luis Herrera Campins, yesterday met privately at the Miraflores Palace with the Nicaraguan economist and business leader, Alfonso Robelo, who has been a member of the Government in Exile, of the National Reconstruction Government, and of the Council of State of Nicaragua, from which he resigned because of profound and severe ideological differences with the Sandinist leaders now in power, after the first few months of the administration which began in July 1979.

Alfonso Robelo led a large part of the Nicaraguan business community, and along with Violeta de Chamorro, to some extent represented social democratic thought, both during the armed conflict that brought about the defeat of the dictator Somoza, and later during the initial months of the Sandinist victory. His resignation from the Council of State created a severe crisis which strongly suggested that the way to democratic pluralism in Nicaragua was being blocked.

Alfonso Robelo, along with Sergio Ramirez (who some months ago talked with President Luis Herrera Campins in "La Guzmania") and Violeta de Chamorro, the widow of the journalist Joaquin Chamorro, editor of the newspaper LA PRENSA of Managua, were the ones who mobilized political and moral support from democratic countries such as Venezuela, while the other leaders, such as Eden Pastora, Tomas Borge, and the brothers Humberto and Daniel Ortega, along with some others, mobilized military aid.

Alfonso Robelo discussed the present Nicaraguan situation with President Luis Herrera Campins. As he has told the press on a number of occasions, there has been a "violent Marxist shift in the leadership of the Nicaraguan state."

After he resigned from the Council of State, the Nicaraguan business and political leader became one of the most important critics of the Sandinist revolutionary government. He is now in Caracas as a guest, attending the symposium on "Current Trends in and Effectiveness of Social Christian Thought." This is taking place at the Hotel Avila in Caracas, starting on Monday, 19 January. It will conclude on the following Saturday.

7679

CSO: 3010

BRIEFS

EXILED HAITIANS IN VENEZUELA--On Wednesday, four persons who sought asylum at the Venezuelan embassy in Port-au Prince, Haiti, arrived in this country. They are only a few of the victims of the "hateful night" of 28 November. They are Jean Dominique, freelance journalist; Kesner Astier, Georges Etienne and Lange Abel, members of the Christian Democratic Party in Haiti, of which the last-mentioned is secretary general. The exiles say that on the night of 28 November, the government of Jean Claude Duvalier, known as "Baby Doc," launched a ferocious campaign of oppression against the Haitian people, freelance journalists, members of the parties which were still legal (Christian Democrats and Social Christians) and the entire citizenry. In all, 150 persons were arrested and tortured in the capital and an equal number in the interior of the small country. Only 20 of them have been able to get out of Haiti. Those who have are making an "appeal to democratic public opinion to continue the struggle along with the Haitian people." Dominique, who for years pursued independent reporting over Radio Haiti-Inter, said that on the night of 28 November he was arrested, along with his wife, two daughters and a politically involved son. "They plundered my home and stole books and equipment. Later they sent my wife to the United States," he said. Also, 25 of Dominique's colleagues at Radio Haiti were arrested and tortured on "the fateful night." [Text] [Caracas EL DIARIO DE CARACAS in Spanish 9 Jan 81 p 3] 5157

CHILEAN-BOLIVIAN TRADE--Santiago, Chile, 5 Feb (AFP)--The Chilean Central Bank has reported that Chilean-Bolivian trade during 1980 was more than \$80 million despite the fact that the two countries do not maintain diplomatic relations. Chile exports newsprint, tires and chemical products. During the first 11 months of last year, Chilean exports reached \$23,453,000. Bolivia exports refined and raw sugar, gasoline, coffee, alcohol and other products. During the first 11 months of last year, Bolivian exports reached \$55,315,000. [PY111740 Paris AFP in Spanish 1536 GMT 5 Feb 81]

CSO: 3010

'HERALD' GAUGES REAGAN GOVERNMENT'S ANTICOMMUNISM

PY050207 Buenos Aires HERALD in English 4 Feb 81 p 8

[Editorial by Mario del Carril: "How Right Is Reagan?"]

[Text] In this column it was said, before the American election, that the feasibility of some recent Argentine foreign policy initiatives--such as support for the last Bolivian coup d'etat--was based on the assumption that Ronald Reagan would win the presidency, and that after his victory he would appoint Senator Jessie Helms, secretary of state, retired General Daniel Graham, national security adviser and the Reverend Moon, press secretary.

Contrary to the desires expressed in that commentary Ronald Reagan won the election in a landslide. Does his victory and do his foreign affairs appointments bear out the hopes and expectations of the Argentine Government?

The names of Helms, Graham and Moon were mentioned to represent what is an extreme ideological position in the spectrum of American foreign policy potions: that of crusading anticommunism. Senator Helms represents this view in politics, General Graham represents it as a military man and former intelligence officer, and Reverend Moon represents it as a pastor.

None of these men were appointed to high office by Reagan, nor were others of their kind. Except, perhaps, for Richard Allen. This suggests that in a Reagan administration rightwing ideology will not have an excessive role in the design and implementation of foreign policy; it will probably have a far larger role in the design and implementation of American domestic policy.

In questions concerning foreign affairs, and defense, the Reagan administration has been characterized so far by making pragmatic appointments from the corporate business world and by assigning nonideological professionals to important positions.

In a symbolic gesture aimed at providing atmosphere to his leadership Ronald Reagan placed the photographs of former President Dwight Eisenhower and Calvin Coolidge in the White House. The latter is known for the slogan "the business of America is business."

In foreign affairs such an outlook calls for moderation, avoidance of adventure and the search for regional stability.

Undoubtedly, the extreme conservative and militant anticommunist position has been strengthened in the U.S. Congress by the wide-ranging Republican victory in November, and it has a chance, depending on how well its champions use their influence, to determine directions in foreign policy. But that has not yet happened.

Consider the struggle that has been taking place between Senator Jessie Helms and Reagan's now confirmed secretary of state: Alexander Haig.

Thanks to the fact that the Democrats lost the Senate, Helms now chairs the Senate Foreign Relations Subcommittee on Latin America. Since the election his influence has grown dramatically. Some would say that his approach to problems has not. For example: John Carbaugh, the Senator's assistant, played a leading role in the transition team in the State Department. An unfortunate role for Helms because that team was abruptly disbanded by Haig when ideologically motivated leaks began to appear in the press.

Furthermore, Helms, and other militant right wingers in the legislature, are unhappy with many appointments in the State Department and in other agencies and departments related to foreign affairs.

Alexander Haig, to judge from his confirmation hearing, is also motivated by a traditional anticommunist ideology, but he also evidenced security and economic concerns, and it is these concerns, and not that ideology, which should most influence the foreign policy of the United States in the next 4 years. The ideology and the concerns do overlap, but they are not identical. Haig's understanding of this fact, and Helms' obliviousness to it, make for the difference between the new secretary of state and the combative senator.

Both men are hard liners because they are more willing to use force than liberals. But that does not mean that they will use or approve the use of force for the same reasons.

Senator Helms, like the Argentine Government, approved of the overthrow of the civilian government in Bolivia. It is well known that the Carter administration did all it could to stop the coup, and it is not yet clear how Haig's State Department will come down on that problem. But if there are good arguments based on broadly understood economic and security considerations to maintain American opposition to that regime, the United States will keep its distance despite the militant anticommunist rationale that has been invoked to support the Garcia Meza government.

A more vital point of tension between Helms and Haig may arise in the near future. While Helms, Haig--and in its latter stage the Carter administration--agreed that the U.S. should provide Napoleon Duarte's government in El Salvador with lethal weapons to put down a leftwing insurgency, the U.S. still has to take into account the Mexican Government's opposition to that policy.

The American rightwing, which is very nationalistic, will be inclined to ignore that opposition. If Haig's demonstrated sensitivity to the European point of view is any indication, he will be inclined to work out some kind of modus vivendi with the Mexican Government on Central American policy, that should be the case if regional stability in the Caribbean is his goal.

How well the Reagan administration deals with Mexican attitudes towards the U.S. use of force in Central America will be one of the first tests of the new administration's ability to balance the claims of ideology, security and economics in its policy toward the region. It will also be a measure of the influence militant anticommunism has in American foreign policy.

CSO: 3020

'HERALD' QUESTIONS GOVERNMENT BANNING OF MAGAZINES

PY120113 Buenos Aires HERALD in English 11 Feb 81 p 8

[Editorial: "The Latest Bannings"]

[Text] The government was undoubtedly correct in asserting that two magazines, "INFORME" and "IMAGEN DE NUESTROS DIAS," were dedicated to "preaching Marxist ideology and promoting class struggle." They are both unabashedly communist publications and neither made any bones about it. It is hard, however, to accept the official contention that they "threatened public order and security," and should therefore be banned. Like most political tracts they preached to the already converted. Although their denunciations of the status quo were strident enough they did not positively call on the populace to take up arms against it and provided no suggestions on how to go about this. INFORME, in any case, had been appearing for years without, it would seem, attracting any official notice at all. If it really had threatened public order then the government has been strangely slow in becoming aware of it. A more likely explanation, of course, is that the government, after calculating for a long time that the disadvantage of banning these publications exceeded the advantage, has changed its mind.

Argentina is not threatened very gravely by the few Marxist ideologies living and working here. The danger is that large numbers of people will make common cause with those struggling for Marxist objectives because they are in opposition to those of the military regime. This will happen whether Marxists are allowed to publicize their thoughts or not. Indeed, preventing them from doing so probably increases this danger because nothing can harm Marxist ideology more than letting as many people as possible see it for what it is. The dogmatic arrogance and utter contempt for individual rights of Marxist writings and the Machiavellian cynicism of Marxist intrigues condemn this creed far more eloquently, and far more convincingly, than any official spokesman conceivably could.

A democratic society, or one aspiring to become democratic as Argentina supposedly is today, should beware of limiting freedom of discussion. Preventing certain groups from airing their points of view only serves to confer on them a spurious glamor they would not otherwise possess. It also means that when, in the future, they are allowed to express themselves freely their arguments will seem fresh and persuasive rather than hackneyed and unacceptable. A diet of Marxist polemic may seem appetizing enough to intelligent young people yearning for something different, but it soon palls. For this to happen, however, people have to taste it first.

By banning anything that smacks of Marxism the regime is paying this heartless and sterile cult a backhanded compliment. It seems to take it for granted that Marxist propagandists are so skillful and so effective that anyone exposed to them will be inevitably converted to their ideas. This, needless to say, is not the case at all. Throughout the Western world Marxism, which gained an impressive number of adepts in the sixties, has been losing its appeal as the grotesque contrast between Marxist claims and Marxist reality becomes increasingly obvious to all but the most dimwitted or obtuse, the first consisting of people unlikely to read Marxist writings anyway and the second of people whose dedication will be unaffected whether they can read them or not. A certain familiarity with Marxism engenders contempt for it among all but the irredeemably committed. By trying to make it impossible for people to acquire any familiarity with it the government is merely ensuring that more of them than necessary attribute to Marxist thought virtues it does not possess. Marxism thrives in the shadows and wilts in the light. It is therefore a political error to seek to drive it into the very environment it knows so well how to exploit.

CSO: 3020

UK TO PROVIDE SECURITY PROTECTION FOR BELIZE

FL301640 Kingston DAILY GLEANER in English 24 Jan 81 pp 1, 13

[Excerpt] Security arrangements "adequate to the maintenance of the territorial integrity of Belize" is to be provided by the British Government when it grants independence to that Central American territory later this year.

This was stated by the British minister of state for foreign and commonwealth affairs, Mr. Nicholas Ridley at a press conference in the British High Commission in Kingston, yesterday.

He said the British Government would comply with the United Nations resolution passed last autumn stating that Belize should be accorded independence by the end of this year with such security arrangements as are necessary to guarantee its territorial integrity.

Discussions

Mr. Ridley said that at the same time as the British Government had accepted the principle laid down in that resolution, it was conducting discussions with Guatemala to try to find a solution to the problem that had been created by its persistent claim to the territory of Belize.

"We are putting everything into this discussion because we believe that it would be much better for Belize to go into independence having arrived at an understanding with Guatemala, rather than having the present position continue," Mr. Ridley said.

Spelling out what he meant by "security arrangements," Mr. Ridley said the British Government would retain a garrison in Belize and would "do whatever is necessary."

He would not, however, say what security guarantees the British Government had offered Belize during his discussions on the previous day with Belizean Premier George Price. "You cannot go too far into this question," he said.

Mr. Ridley said that Britain was fully committed to the idea of Belize being granted independence and had already announced plans to hold a constitutional conference on Belize early in the year.

Routine Visit

In response to questions, Mr. Ridley commented on discussions that had taken place at a recent conference on Barbuda becoming a self-governing unit in association with Antigua. It was, he said, a matter for Barbuda to work out with Antigua.

The British minister of state said that before coming to Jamaica, he stopped in Anguilla, visited Barbados, St. Lucia and Dominica.

His current visit was a routine one, in which he discussed local affairs with the dependencies and reviewed the progress of the British Government aid program in all the territories.

CSO: 3020

POSSIBLE CHANGES IN ANTICIPATED CABINET SHAKE-UP DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Jan 81 p 66

[Article by Carlos Chagas: "What Is Changing in the Figueiredo Cabinet"]

[Text] Amaury Stabile of Agriculture, Ernane Galveas of Finance, Camilo Penna of Industry and Commerce, Cesar Cals of Mines and Energy and Murillo Macedo of Labor. Of the five, four may no longer be cabinet ministers by April, in this game of reverse Russian roulette that may spare only one. Despite the customary denials by Planalto Palace, the mini-reform of the cabinet is being mentioned again--or, rather, has not ceased to be mentioned since the middle of last year. At that time, two other cabinet ministers were on everyone's dismissal list and they eventually left sooner than expected through incidents or pretexts that merely expedited their departure: Eduardo Portella of Education and Said Farhat of Mass Media.

More than being aimed at persons, although it may expose internal idiosyncracies, reveal lapses of effectiveness or adjust itself to situations, the mini-reform is part of the government's strategy as a way to reinvigorate its ranks and try to reverse at least somewhat the psychological battle it is losing daily in the eyes of the public. After all, whoever comes in at least gains some time for optimistic expectations, just as he who leaves must bear a burden of complaints about his faults, clearing part of the ground.

Although not necessarily divided into 2-year periods, President Joao Figueiredo's 6-year term was presented according to three major time spans. In the first, it would have to give priority to the fight against inflation, making it recede. In the second, initiate solid investments in the social sector, based upon the success expected in the previous period. Finally, in the third, results would be harvested, including some relating to the institutional improvements developed from the beginning. Events served to overturn expectations, as inflation increased instead of diminishing, but even so--or perhaps for that very reason--the approach of the cabinet shake-up becomes more visible. It is worth repeating, it will not be based upon just one factor, such as that mentioned above, but upon several, such as the better or worse performance of this or that minister, his positions at times clashing with other more powerful colleagues and the overall policies of Planalto Palace or even the desire of some to leave for personal reasons.

Vain Denials

President Joao Figueiredo is irritated by speculations; his spokesmen, as did the now defunct SECOM [Mass Media Secretariat], redouble their efforts at denial; but

today, as yesterday, it does no good to struggle against the nature of things. Portella and Farhat left sooner, as they would have left later. Now at least four of the five mentioned appear to be headed for the exit. It may be all of them at once, after the present administration has completed its first 2 years; it may instead be one by one, if unexpected reasons force them, as they forced the former education and mass media ministers. There will always, of course, be the possibility that the balance will change, as he who is on one side frequently goes over to the other during the swings of the power pendulum. Cesar Cals, for example, who is said to be once again on the list, and for special reasons, left it intrepidly some months ago after having been on it so long he was almost a part owner. Camilo Penna in just 1 week seems to have become a winner. Murillo Macedo has been on it, then off and is now on again, as has Ernane Calveas. If Amaury Stabile's ratings could be registered on a thermometer, he would seem to be cooling off today, but could he not feel the heat tomorrow? It may be that 1 month from now the list will be different, substituting one or another, but, in fact, this group of five ministers who are candidates to no longer be ministers seems the most feasible.

Hour of Angelus

Amaury Stabile, whose first name is Angelo, although he may not be a minister by chance, at least never guessed he would become a minister so soon. Named secretary general of the Agriculture Ministry when Delfim Netto became its head, he was chosen on the basis of initiatives other than the considerations of his immediate chief, but they got along well and worked well together. That was in 1979, the year of the largest farm crop in our history; Delfim drove agriculture as if it were a tractor; he harvested and shared the laurels with his team. But as his real stock-in-trade was figures, he took slow aim and fired a well-placed shot at Mario Henrique Simonsen, then planning minister. Invited to replace him, he was so happy and euphoric that he forgot about or did not prepare his rearguard as he should have. Called before Gen Joao Figueiredo, he heard him say that "Angelo would be a good solution." He smiled wanly and was beginning a maneuver to gain time when he was caught by surprise: the president was not referring to Angelo Calmon de Sa, former industry and commerce minister, as he had supposed, but Angelo Amauri Stabile, his secretary general, a choice which he applauded enthusiastically.

The problems began during the changeover. According to the since-revised code of allowances, the residence of the agriculture minister was to be occupied by the agriculture minister, but Delfim was in no mood to change houses. He stayed where he was. Stabile had to ask the DASP [Public Service Administrative Department] to find another house for him to live in. Nothing more than this, but a demonstration of how things were going at the administrative level as, besides losing the house, the new agriculture minister lost (or did not manage to find) power. Becoming a centralizer, a realist and a new convert to restriction at any cost, Delfim Netto took SUNAB [National Superintendency of Supplies] away from his colleague. First, creating within the scope of SEPLAN [Planning Secretariat] the Special Secretariat for Supplies and Prices which dictated standards and decisions in the sector through Carlos Viacava, without consulting Agriculture. Later, changing SUNAB's uniform and bringing it into his own structure. He did not do the same thing with the Production Financing Commission, because he left there a man he could rely on, Francisco Vilela, until today much more assiduously attentive to Planning than to Agriculture. Paulo Yokota, who was on Delfim's staff when he was finance minister, was retained in INCRA [National Land Reform and Settlement Institute] and a

"sui generis" episode occurred immediately: for presenting the productivity prize to farmers chosen by INCRA, in the presence of the president of the republic, the place chosen was the auditorium of the... You guessed it: of the Planning Ministry. That evening Stabile learned that prizes had been awarded without his participation and about where the ceremony was to be held. He rebelled and said he would not go and scored a small victory. The ceremony was quickly moved to a perhaps neutral site, the CORAL [Brazilian Foods Company] auditorium. Stabile kept trying to put up the best fight he could, especially when he abruptly fired his own secretary general, by coincidence also appointed by Delfim, Wiginio Batiston, replacing him with Pedro Moura Maia. The latter felt it was time to attack and tried to free himself of another intimate friend of Delfim, Andre Broca Filho, in charge of the Federal Agriculture Field Office in Sao Paulo, a kind of home base or political office for the planning minister in the state. The explosive pretext is that the agency had become a gambling den; a policeman was sent to catch them red-handed but he ended up reporting only that during lunch hour a group of elderly employees were passing the time playing cards. There was no penal offense. Broca Filho was vindicated and Pedro Moura Maia stacked arms. The crisis and the bloodletting continued. Because of belt-tightening, the budget appropriations of EMBRAPA [Brazilian Agriculture and Livestock Research Enterprise], EMBRATER [Brazilian Rural Extension and Technical Assistance Enterprise], CIBRAZEM [Brazilian Warehousing Company] and almost all the agencies of the Agriculture Ministry were reduced by half or more, despite the complaints and protests of the minister. Minimum-price policy was taken out of his hands; many times when he was negotiating a solution, as in the case of the agricultural goods of the Central-South region, he would see Delfim get ahead of him and publish another price schedule. Changes in rural credit were determined on the other side of the Plaza of Three Powers. At the meetings of the Economic Development Council the suggestions of Stabile gradually were silenced.

The situation did not change and, internally exhausted, the agriculture minister saw the war open on a second front: externally, the sector he should have been leading began to fall apart. Crises, complaints by farmers, more restrictions, rain, drought, lack of credit, all began to fall upon his shoulders. During the last 4 months he submitted at least two letters of resignation, one kept by Minister Golbery do Couto e Silva and the other by Gen Danilo Venturini. In a meeting with the president, he mentioned the subject and was told to continue working and not be bothered by trifles, "because when I need your resignation, I'll let you know..." Now may be the time.

Regrets?

Asked in August 1979 to return to the presidency of the Central Bank in the wake of Delfim Netto's new ascendancy, Ernane Galveas hesitated a long time. After all, he had managed to get out of public service, he was working for Aracruz Celulose making 700,000 cruzeiros a month and he detested living in Brasilia more than anyone--except the members of his own family. It is said he finally accepted because of the strategy already worked out that would carry him from the bank to the Finance Ministry as soon as Delfim found a way to get rid of Karlos Rischbieter. The day arrived the following January, but with some suspense. The former finance minister had resigned 48 hours already and there was not a word from President Joao Figueiredo as to his successor, despite Delfim's clear preference for Galveas. Finally, during a meeting of the National Monetary Council, when he received a telephone message from Heitor de Aquino, the planning minister passed a note to the president of the Central Bank: "You are now the finance minister."

Their interaction--it would be better to say the subordination of one to the other--was and is total, so that one must seek other reasons for Galveas being on the list. Because, although he fought with Rischbieter for control of the export sector, Delfim immediately turned that task over to the successor, plus those related to the balance of payments.

Planalto Prevented Galveas from Resigning

His erosion, although resulting from general reasons common to all the ministers due to the economic crisis and inflation, is also particular. In March of last year the so-called "Vale Case," still nebulous in some aspects, erupted. Galveas authorized Carlos Langoni, who replaced him as president of the Central Bank, to sell in the market large blocks of the stock of state enterprises. It would be a new way to get funds for the Treasury without issuing currency or debt, although the opposition also considered the transaction a strategy to help the then president of the Rio de Janeiro Stock Exchange, Fernando Carvalho, whose brokerage house was favored with almost all the business. The result was disastrous, perhaps due to the Central Bank's lack of experience, as the sale of 150 million shares of the Rio Doce Valley Company in 4 days caused its price to drop, in addition to having enriched a few brokers. Galveas assumed the responsibility, took a verbal beating from almost the entire country, including Planalto Palace. He felt the attorney general of the republic was not defending him as he should have and for the first time submitted a letter of resignation. It was not accepted, but a few months later another one was sent to the office of Golbery do Couto e Silva. The complaints of international bankers increased in view of the ineffectiveness of measures to restrict inflation and he had to finance the balance-of-payments deficit by means of the Central Bank. Another festival of appeals for him to stay, led by Delfim Netto. "To leave at the worst time would be very bad for everyone." He stayed. Later, the third initiative: he was in New York on an official mission, and was to accompany President Joao Figueiredo to Chile. There was no time to make air connections if the Varig DC-10 went to Rio first. Thus, the flight was diverted for an extra stop in Brasília. There was a loud clamor at the time from the other passengers and later from the public, as well as an extra expenditure for fuel. Diverting aircraft had been the practice only of terrorists. Another letter, more appeals for him to stay, despite the ill will caused in the government due to diversion of the aircraft.

In sum, although he does not differ with Delfim Netto except in one or another detail, although he consults with him almost every day and although he calls him up at least 6 times every 24 hours, Ernane Galveas himself does not have the image of an irreplaceable minister, especially if the government needs, as it does, to inject new blood or gain time. In theory, he may be awarded the fifth bullet, the blank one, but then again...

Complicated Equation

The increasing problems of the Ministry of Industry and Commerce--or, rather, of Minister Camilo Penna--are acute and are both administrative and political. It was expected that because he had been chosen on his merits and because of the government's desire to please Aureliano Chaves he would serve as mines and energy minister, but he became minister of industry and commerce. Closely allied with Simonsen, although he opposed the first restrictions, he has had to confront Delfim Netto from the start and, to complicate matters, he began winning. The first reduction of

investments by state enterprises was to be 30 percent across-the-board but Camilo persuaded the president that the rule should not be applied to the iron-and-steel industry. The belt was already as tight as it would go; anything over 10 percent would be disastrous. The only thing to do was negotiate an exception, which was granted, much to the chagrin of the planning minister. After all, 80 percent of the investments in iron and steel were already made; to block the remaining 20 percent to any great extent would only delay return on the investment already made. Then came another confrontation with Delfim, who advocated, and still does, entry of foreign capital in the PROALCOOL [National Alcohol Program] for export generation, while Penna supported, and still does, concentrating the program on the domestic market, putting off exports until later. In the middle of the dispute, Delfim's stab that PROALCOOL was inflationary was refuted by Penna publicly in saying that PROALCOOL is less inflationary than many other projects.

Taken to the National Energy Commission, the dispute acquired a political dimension, as the disagreements on these and other matters between the commission chairman, Aureliano Chaves, and Delfim Netto are well known. Result: Camilo Penna on the retirement list, especially, it is said, after Planalto Palace wanted to demonstrate a certain disagreement with the vice president of the republic about his more recent political statements.

About Camilo Penna it must also be emphasized that he supported from the beginning the strategy of domestic savings as a way to confront Brazil's increasing foreign debt, an idea now embraced by SEPLAN. He believes we should use foreign loans only to roll over the debt. On these and other matters he is considered one of the few in official circles capable of debating figures and processes on an equal footing with Delfim, certainly one more reason for his being on the list.

'But He Is a Politician'

When his name came under consideration as one of the replaceables, in the very first months of the administration, Mines and Energy Minister Cesar Cals was not very worried, less because of his friendship with President Joao Figueiredo, more because he was and continues to be one of the few political ministers; that is, with a definite following, an office-holder--even if bionic--and in a position to help the PDS [Social Democratic Party]. He expected this to spare him, but it did not. First, he put the Mines and Energy Ministry under staff personnel without adequate knowledge of the ministry. Second, he did not have supremacy or authority over the three major autonomous organs under his ministry. He had not chosen the president of PETROBRAS [Brazilian Petroleum Corporation], Shigeaki Ueki, the president of NUCLEBRAS [Brazilian Nuclear Corporations], Paulo Nogueira Batista, nor the president of ELETROBRAS [Brazilian Electric Power Companies, Inc], Mauricio Schullman. And the three did not consider themselves under obligation to him, preferring to work directly with the president of the republic. The first attempt he made to bring them into line, in the middle of the energy crisis that was his undoing, turned into a disaster and cost him the head of a top adviser, newsman Silvio Leite. The idea was to contract a pool of public relations companies that, coordinated by the ministry office, would control all the enormous advertising appropriations of PETROBRAS, NUCLEBRAS and ELETROBRAS. No announcement was to be made without its authorization. The complaints were so loud that the idea, as well as the adviser, were abandoned. Soon after, Cesar Cals had to dismiss his son-in-law and his son, who were working with him. The "request" came from President Figueiredo. "It did

not look good," despite dozens of examples of the same sort, past and present. In the midst of this, his staff seemed not to function, so much so that two secretaries general finally were replaced by engineer Arnaldo Barbalho, who straightened things out. Appointed by Planalto Palace.

Nor did the decision to create the National Energy Commission benefit the minister, who was made its secretary, while Vice President Aureliano Chaves was made chairman. Ironically, it may have been at that moment that his recovery began, as he allied himself with Delfim Netto. The two began to act jointly and obtained success more on paper than through effective solutions of the energy problem. Just this week, one of his suggestions was accepted in the CNE [National Energy Commission], after Aureliano had resisted it: setting average daily petroleum imports at 750,000 barrels.

So it would not be for administrative reasons, at least at present, that Cesar Cals may be on the list but, strangely, for the reason that saved him until now, even at the time of his lowest fortune: he is a politician. It happens that with the rise of Jarbas Passarinho to Senate president, the government was left without a leader in that house and the choices looked at so far leave much to be desired. Could this not be the occasion for his departure, as rumor has it?

Victory, Then Defeat

Finally, Labor Minister Murillo Macedo, who began his term with the most resounding success: he managed to contain the strike and reconcile the government with the Sao Paulo metalworkers in March 1979. A skillful negotiator, he followed that first victory with a thorough campaign for semiannual wage increases, which became law amidst widespread applause. Even after the fall of Simonsen, of whom he was a close friend and companion, he held firm but was in front of the tractor twice. First, because his socially-oriented policy was considered unworkable by the planning minister, who eventually decided upon the recent revision of the wage-adjustment law, a vast setback for the government. Later, because, although born in Minas Gerais, he practices politics in Sao Paulo and is in the PDS faction opposed to Delfim's. They say he has more than once expressed a desire to leave the ministry. He has minor health problems, and this is not why he is on the list, but added to other factors... Finally, during the second metalworkers strike, in 1980, he did not get any results from dialog. In response to the armed forces and the security agencies, they were sent in to solve the problem in their own way. He may not get a third chance.

No Big Change

It must be emphasized that everything is going in the direction of a cabinet shake-up very likely to affect the ministers mentioned and perhaps save one of them or, who knows, even remove others.

It seems difficult to suppose that President Joao Figueiredo will fill any eventual vacancies with politicians of the PDS, much less of the PP [Popular Party] in case of a continually postponed reconciliation with this so-called opposition segment. Party alliances must be put off until after the 1982 elections, if needed at all, and will even force other cabinet changes instead. Although well respected, ministers such as Jair Soares of Social Security, Ibrahim Abi-Ackel of Justice or

other possible candidates will have to resign if they are to run for Congress again or for state governor. Furthermore--and this is a reasoning heard in one of the most powerful government offices--a partisan cabinet shuffle made today would lack grassroots support. A politician would be appointed today only if he could, without any favoritism, carry out social projects and sell the government's image to the electorate. How can this be done without funds, within ironclad and unpopular restrictions? It would only make the parties more unpopular, as their representatives, like the present cabinet ministers, would have their hands tied. Beyond their also having to resign to run for election the following year. Thus, new ministers must be sought in the techno-bureaucracy, in the increasingly restricted ranks of the palace group or... where?

Finally, one consideration: should all this happen, it would not be a major change, much less a basic reform. Adjustments, accommodations, or, if they wish, in the peculiar official jargon: "ministerial confirmations" for the majority who remain. It is not intended to alter the prevailing model, nor its mentors. It is hoped that everything will turn out well in the economy as it is in politics. Nothing to disturb Delfin Netto or Ibrahim Abi-Ackel, much less the palace group that surrounds the president.

8834

CSO: 3001

QUICK ACTION SEEN NEEDED FOR GAINING JURISDICTION IN ANTARCTIC

Expeditions Necessary

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Jan 81 p 22

[Article by Nikao Duarte: "Expedition to Antarctica, a Brazilian Challenge"]

[Text] If Brazil wants to correct an error made 21 years ago and have some jurisdiction over part of the Antarctic as of 1990, it will have to present studies made in the region within a decade, which will insure for it participation in the "Washington Treaty." In order to do that, it must make at least two expeditions to the South Pole, taking equipment and scientists, from whose studies national meteorology, ecology and hydrology will benefit. It is in terms of that expectation that the Brazilian Institute for Antarctic Studies [IBEA] was created in 1972, a private organization for cultural purposes, which since that time has been trying without success to promote the first Brazilian expedition to Antarctica. Partial information, always provided under the argument that its dissemination could jeopardize national interests in the area, indicate, however, that negotiations between the IBEA and the Federal Government for the latter to declare the institute a public service agency, are very advanced. This action is necessary so that the IBEA may receive the money already promised by agencies, industry and commerce and thus be able to acquire a vessel, equipment and all the infrastructure necessary for a 3-month stay by Brazilian scientists at the South Pole.

Interest of All Humanity Contained in Treaty

The "Washington Treaty," also known as the "Antarctic Treaty," was signed in 1959 and a system of bylaws on the Antarctic was agreed upon at the end of a seminar in which several countries presented studies on the region. That of Brazil referred to the Atlantic and that of Ecuador to an imaginary line at Chui. At the end of the meeting, U.S. President Dwight Eisenhower revealed that only those nations which had made studies in the continent itself could participate in the pact. Brazil, therefore, was left without the right to participate.

Argentina, Australia, Belgium, France, Japan, New Zealand, Norway, the Union of South Africa, the Soviet Union, the United Kingdom, Northern Ireland and the United States insured their participation, transforming the region into a "res communis" (shared possession), signing a pledge for peaceful and scientific exploration of the southern continent, excluding nuclear and military tests and prohibiting the signers from making any territorial claims.

In the treaty, the signers acknowledge Antarctica to be of interest to all humanity, proposed international cooperation in scientific research and stipulated their individual and collective interests in 14 articles signed 1 January 1959. The document, it was established, will cease to be effective 30 years after its signing, at which time it will be reviewed.

After 1 January 1959, adherence to the treaty was given by Poland, Czechoslovakia, Denmark, Holland, Romania, the German Democratic Republic and Uruguay. Brazilian adherence was not given until 1975. However, the adherence by those countries does not give them any rights in the southern country, although that adherence will allow them to participate in the meetings of the pact, where they may not give their opinion or influence decisions. IBEA technicians have participated in those discussions as members of the delegations from other countries.

Brazilian Interest

It was only on 28 June 1975 that the Brazilian Senate approved the text of the "Washington Treaty" as an international legal statute for the Antarctic Continent, after it received a message from the Presidency of the Republic on the subject. Immediately, Itamaraty published a note making it public that it would deliver a document to the U.S. State Department on that same day, making its adherence formal. The note said that "Brazil, by virtue of having the longest seacoast of the South Atlantic, a coast which is in great part faced by the southern continent, has direct and substantial interests in Antarctica."

Pericles Azambuja of Santa Vitoria do Palmar, Rio Grande do Sul, an associate of the IBEA, is finishing a book on Antarctica in which he believes that "Brazil figures in the defensive policy of South America and the West on a broader scale than any other nation of the continent." In his opinion, this is so because of the continental size of the country "with a vast hinterland stretching from the Pacific to the edges of the Andes and an enormous coastline." In the opinion of Azambuja "That territorial vastness requires a special geostrategic protection plan, which covers not only its sphere of sovereignty but also that of its neighbors."

In the book, which will be in bookstores within a month, the savant quotes Gen Golbery do Couto e Silva, the present minister-chief of the Civilian Household of the Presidency of the Republic and author of "Brazilian Geopolitics," to back up his argument, and he reiterated the benefits of Brazil promoting the expedition by its scientists to Antarctica.

In the opinion of Azambuja and the IBEA, that expedition should have already taken place or be underway now--the period between last December and next February is the time when navigability conditions are the best in the Southern Continent. Since it is no longer possible for it to take place, the Rio Grande do Sul scientist and the IBEA advocate that it be made next summer.

In Defense of the Expedition

As soon as it was created in the Rio de Janeiro Engineering Club, the IBEA began its activities to make the Brazilian expedition possible. For that purpose, at the same time that its leaders gave successive lectures in universities and agencies which represented liberal classes, they approached commercial and industrial associations to see if they could make financial donations to the institute. They found out then that there was an interest in making donations if they could be deducted from income taxes.

In order for that to be possible, the IBEA would have to be classified as a public service agency, since it is a private nonprofit organization. The wanderings of the leaders of the institute then also began to include the offices of Planalto, primarily by its president, Professor Joao Aristides Wiltgen, who has already been the secretary general of the first Ministry of Communications and for 4 months held the post of temporary minister.

IBEA authorities report that it already has assured monthly donations of 400,000 cruzeiros in 1975. It also had concluded a deal with Angola from whom it would buy an equipped vessel for \$400,000. The institute also informed the government that it had all the necessary infrastructure for the voyage, with the participation of scientists and the acquisition of equipment and food needed for the crew assured. Despite that, 5 years later the IBEA remains in the same state as previously without having been declared a public service agency, the reason why it lost the deal with Angola, although the promises for generous financial donations remain.

The Distance To Be Traveled Is 6,000 Kilometers

Six thousand kilometers separate Brazil from the South Pole, distance to be traveled by the members of the expedition, which the institute trusts may be made at the end of this year or the beginning of 1982. The IBEA has been assured of donations and the presence of scientists from universities, who will go along without any jeopardy to their salaries, carrying with them whatever equipment is necessary. That statement was made by the president of the institute on a trip he made from Santa Maria (Rio Grande do Sul) to the northern part of the country, visiting Federal Universities.

The institute believes it is a duty of the present generation to explore the potential of the frozen continent for Brazil, which because it is an extension of the Andes Mountain Range is believed to have the same underground wealth as that area: oil. It also believes that Antarctica will become the world's storehouse because of its capabilities for storing perishable goods and because of its production of seafood.

The storage of food produced in other regions is being done by the United States and Japan, avoiding the aberration still being practiced in Brazil of the burning of perishable products when market prices do not suit the producers.

Moreover, the installation of a Brazilian weather station in the South Pole will allow the country to foretell with greater lead time the climatic conditions which will prevail in some of its regions during a certain period, thus insuring a greater agricultural productivity. National medicine and ecology would be similarly benefitted, the institute believes.

In defense of its ideas, the IBEA is holding a series of studies, talks, lectures and debates on Antarctica, possibly having the support of organizations such as the Association of Alumni of the Superior War School (ADESG). It thus seeks to make the population and authorities aware of the need for Brazil to have some right to explore the frozen continent.

In order for that to be possible, more than one expedition to Antarctica will have to be made, the first to check on what studies are possible and at least one more at the end of the decade so that Brazil can present some practical study of the region in the seminar at which a new treaty will be signed in 1990.

Contacts in the South

Before the main expedition can be made, a preliminary voyage to the Southern Antilles [as published], a subantarctic region, must be made in the next few months. In this case a ship equipped for breaking ice will not be necessary and the ship of the oceanographic base of the University of Rio Grande do Sul at the extreme south end of Rio Grande do Sul may be used. This will be the recommendation that researcher Pericles Azambuja will make at the meeting, which will be attended by the president of the institute, the rector of the university, technicians of the base, the Oceanographic Museum and other specialists.

Before that meeting in Rio Grande, IBEA President Joao Aristides Wildgen will meet in Montevideo on Friday with the scientific adviser to the Uruguayan Antarctic Institute, Leslie Crawford, and with its founder, Julio Musso, to ask the support of that neighboring country for the Brazilian expedition.

That information was also provided by Pericles Azambuja, who arranged the meetings between Wildgen and the Uruguayans. He even provided some information which the IBEA president did not want to detail or even confirm in an interview he granted to ESTADO this week in Porto Alegre, where he spent a few days resting at the home of relatives. The Rio Grande do Sul researcher declared that preparations for the expedition are so advanced that there is even a ship being readied at a port near Boston, a ship which is not the one originally found in Angola. This ship, he reported, would be sold by an American scientific organization and is to be paid for in 40 years. During that period, only symbolic payments of \$1 per year will be made. The future payment, he added, will be made by Sao Paulo industrialists, who he could not identify and who would have an interest in the expedition. The crew is supposedly being trained in England.

Great Resource Potential

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Jan 81 p 22

[Article by Efigenia Menna Barreto: "The Still Unexplored White Immensity"]

[Text] Brazilian interest in obtaining a slice of that great white area, which is greater than the area of the territory of Brazil itself, goes back many years. Even in 1959 the Juscelino Kubitschek Administration was not happy at being excluded from the negotiations of the Antarctic Treaty and sent notes of protest to Washington, claiming the accomplishment of important scientific work in the South Atlantic. The response was terse: Work actually performed on Antarctic territory was required.

It was only 16 years later that Brazil adhered to the Antarctic Treaty, saying that it "had direct and substantial interests in that area" because it has "the longest seacoast of the South Atlantic, a coast which is in large part faced by the southern continent." The country continued, and continues up to now, in its position of never having made studies in Antarctic territory and that is why analysts interpreted its approval of the treaty as a result of the "theory of confrontation." According to that theory, all those countries which geographically face polar territory without any obstacles in between have a right to Antarctic exploration. Those countries in Latin America are Argentina, Chile, Peru, Uruguay, Ecuador and Brazil.

Cautiously, and respecting the majority position of the signers of the Antarctic Treaty, who defend the theory of rights--which means Brazil would not have access because of a lack of scientific activities in the region--the Brazilian Government omitted any claims to a strip of the southern territory. However, it made very clear its position on "several other interests."

Since the Antarctic region is practically contiguous with Brazilian territory, its importance from the meteorological point of view is great. This is so much so that some meteorologists show more hopes in obtaining climatic forecasts in the medium and long terms from studies on the ice than from sun spots. Moreover, after the studies by Rubens Villela showed that destructive freezing winters (1942, 1953, 1955, 1963 and 1969) were related to abnormal conditions on the ice of the Antarctic zone, the conclusion was reached that the droughts of the center-south have a relationship with the conditions in the Antarctic.

However, other than purely scientific expectations may be singled out as strong enough reasons for Brazil to become interested in the "White Continent." It is possible that eastern Antarctica has the largest carboniferous basin in the world, albeit of difficult access and a large percentage of ash. Near the coast facing the Indian Ocean, in the Australian sector, Soviet researches located an iron ore deposit 100 meters thick and 120 kilometers long, enough to supply the world market for 200 years.

There is more. There are suspicions that mineral deposits exist in the Norwegian and Australian sectors and in the Dufek Plateau, a rocky mass of 33,000 square kilometers 6.5 kilometers thick, geologically very similar to some of the world's most mineral-rich formations, the Bushveld structure (South Africa).

Indeed, up to a certain point the mineral potential of the continent revolves around a speculation on indications that Latin America, Africa, India and Australia were joined to Antarctica until the end of the Mesozoic Era 100 million years ago. It is believed that the chemical and geological process which led to mineral deposits in the Andes, South Africa and Australia could have caused the formation of similar minerals in the antarctic. It is also possible that the petroleum and gas deposits off the coasts of New Zealand, Australia and Tasmania could be repeated in the formerly neighboring Ross Sea, which is now near Antarctica.

That is the reason for the assurance of the Institute of Arctic Geology of the Soviet Union when it stated: "The prospecting and production of petroleum on the Antarctic shelf is an absolutely concrete prospect in the near future." This is a future which has become closer since the 1973 petroleum crisis caused the world to turn its attention to the petroleum and natural gas potential of Antarctica even though it may be the most inaccessible and, therefore, the most expensive in the world.

Besides that fabulous potential in wealth, the Antarctic is generous in natural resources, which although less attractive economically, are also very important. One of them is ice. Since 99 percent of the world's drinking water is in the form of ice and 90 percent of that ice is in the Antarctic, studies have already reached the conclusion that all the rivers of the world could be kept running for almost 1,000 years with the water stored in a solid state. That means that Antarctica represents more with respect to water than does Saudi Arabia with respect to petroleum.

In addition to all those reasons which attract Brazilian interest for a slice of that "frozen cake," the seas of Antarctica also appear to be the most productive of the world biologically, with 15 million seals and nearly 400,000 whales. That marine fertility aroused the enthusiasm of former Deputy Euripedes Cardoso de Menezes to such a point that it led him to say in a lecture to the Chamber of Deputies Foreign Relations Committee in 1978 that Brazil should become involved in Antarctic exploration for the taking of whales, seals and penguins. His reasons: sealgut makes excellent double bass, guitar and violin strings; from their viscera may be extracted the material needed for stringing tennis rackets, and the pulverized bones make excellent fertilizer.

8908

CSO: 3001

PRISONER RELATIVES OCCUPY AUSTRIAN EMBASSY

Protest Prisoner Conditions

PY100006 Paris AFP in Spanish 2101 GMT 9 Feb 81

[Text] Santiago, Chile, 9 Feb (AFP)--Nine relatives of Chilean political prisoners peacefully entered the Austrian Embassy in this capital this afternoon in protest of the mistreatment and poor sanitary conditions that political prisoners are subject to in Chilean prisons.

In a communique released to the information media, the group of relatives of Chilean political prisoners asserts that the nine persons want to call the attention of the United Nations to the violation of the international agreement signed by the Justice Ministry and an ad hoc United Nations group regarding the recognition and treatment of political prisoners. The communique adds that at this moment the political prisoners are distributed among several prisons in central Chile and are the victims of mistreatment and totally unhealthy conditions.

The relatives of political prisoners conclude by asking for the intervention and presence at the Austrian Embassy of a UN representative, so that the Chilean Government can explain and correct this violation of an international agreement.

Minister's Description

AU101325 Vienna Domestic Service in German 1129 GMT 10 Feb 81

[Interview with Foreign Minister Willibald Pahr on the Austrian Embassy "occupation" in Santiago by Roland Machatschke--recorded, date and place not given]

[Summary] [Question] Mr Minister, can you tell us what the situation is at the Austrian Embassy in Santiago, is it very dramatic?

[Answer] "This 'embassy occupation'--if you could call it that--is certainly not very dramatic. Six women and three men yesterday entered the Austrian Embassy and told the ambassador that they would not leave until a UN representative had accepted their complaint against the treatment of members of their families in Chilean prisons. Although the presence of these nine persons in the Austrian Embassy somewhat hampers the work of the embassy staff, this work is not really impaired. Moreover, it is by no means a forcible occupation, but merely what we

have had in a number of other countries before--namely, that some persons come into Austrian Embassy buildings and refuse to leave until a certain event has taken place."

[Question] Then it is nothing like a hostage affair, but more in the nature of a sit-in?

[Answer] "Exactly, it is a sit-in. Absolutely not any taking of hostages. All members of the Austrian Embassy are completely unrestricted in their movement, they can leave and enter the embassy as they please." And we hope that we can end this sit-in through peaceful means, by convincing the occupiers that this is not the right approach to solving their difficult humanitarian problem.

[Question] Will the Austrian Foreign Ministry comply with the demands of these people?

[Answer] "We cannot fulfill this demand, because it is primarily addressed to the United Nations. We did notify the United Nations about the wish of these persons, that is, both the UN representative in Santiago de Chile and the United Nations in New York."

[Question] What instructions has the Foreign Ministry given the embassy staff in the event that the occupation should last longer? Will they be supplied with food?

[Answer] "Well, in Austria it is not customary to let people starve. That also goes for Austrian embassies. And we will do everything possible under the given conditions to ensure that these people come to no harm during their stay in the Austrian Embassy."

[Question] What are the instructions for Austrian Embassy staff in the event that Chilean police enter the embassy premises to forcibly end the occupation?

[Answer] "Such forcible measures would constitute a blatant violation of international law, because the authorities of the host country are allowed to intervene only with the consent of the embassy--and as long as there is hope of reaching a settlement by peaceful means, the Austrian Embassy would certainly not seek the aid of the host country."

CSO: 3010

WARSHIP ALLEGEDLY INTIMIDATES GREEK SHIP

PY101727 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1440 GMT 10 Feb 81

[Excerpts] Buenos Aires, 10 Feb (NA)--The alleged intimidation of a Greek ship by a Chilean torpedo boat in Argentine jurisdictional waters resulted in contradictory information here today.

The event was disclosed through a report published by the Bahia Blanca newspaper LA NUEVA PROVINCIA today. The ship involved is reportedly the Navarino which made a voyage from Rio de Janeiro to Port Stanley and returned to the former Brazilian capital carrying 900 tourists.

The daily reported that the Navarino was "intercepted by a Chilean torpedo boat which came along the port side of the Greek ship and ordered it to lower the Greek flag and raise the Chilean flag."

The report was confirmed by the private secretary of the Greek ambassador in Buenos Aires, but denied by the tourist agency which represents the Navarino. At the same time, a navy spokesman said that this event "is being studied."

According to LA NUEVA PROVINCIA, the incident took place "near Cape Horn" and Vassilis Vitsazis, Greek ambassador to Argentina and Chile, was aboard the Navarino.

On inquiry by NOTICIAS ARGENTINAS, the diplomat's private secretary confirmed the report but said that the agency which represents the ship, Saitecin Operadora Turistica S.R.L., could give more details.

Irene Averboch, an executive of the firm, said to this agency that the LA NUEVA PROVINCIA report "is totally incorrect." She said: "I was on that trip and nothing like this happened." She explained that the ship follows the itinerary Brazil-Port Stanley-Brazil and that the departure from the Malvinas port took place on 4 February, the day when, according to LA NUEVA PROVINCIA, the incident took place.

Asked about the possibility that the incident could have taken place when she was in the port while the Navarino was making a tour of Cape Horn, Averboch said that "I would have been told." She added: "This is something like piracy and I would have been told."

Regarding the possibility that another, similar ship was touring the southern region at this time, she said that the Dafne of similar characteristics to the Navarino was in that area but from 30 to 31 January.

A spokesman of the navy told NOTICIAS ARGENTINAS that this situation "is being studied, is under investigation." He added: "If there is any information, anything to add, we will let you know immediately."

CSO: 3010

BRIEFS

NEW NAVAL DEFENSE OFFICIAL--Vice Adm Luis de Los Rios Echeverria has been installed as the new chief and naval judge of the national naval squadron replacing Vice Adm Ronald McIntyre who has become chief of staff of national defense. [PY111740 Santiago Chile EL MERCURIO in Spanish 17 Jan 81 p 1]

NEW NATIONAL DEFENSE OFFICIAL--Vice Adm Ronald McIntyre has been installed as the new chief of staff of national defense replacing Maj Gen Luis Ramirez Pineda. [PY111740 Santiago Chile Diplomatic Information Service in Spanish 0155 GMT 7 Feb 81]

COPPER RESERVES--According to a report released by the Chilean Copper Commission, Chile has reserves of 111 million metric tons of fine copper. The report indicates that the world reserves of this metal is 465.2 million metric tons; therefore, Chile is the country with the largest copper reserves. [PY111740 Santiago Chile Diplomatic Information Service in Spanish 1016 GMT 11 Feb 81]

CORFO PROFITS--Executives of the Production Development Corporation (CORFO) have reported that this organization will deliver a profit of \$245 million to the National Treasury for the year 1980. [PY111740 Santiago Chile EL MERCURIO in Spanish 17 Jan 81 p C3]

COST OF LIVING--The Chilean Central Bank has reported that the cost of living increase during 1980 has reached 31.2 percent, the lowest in the last few years. [PY111740 Santiago Chile Diplomatic Information Service in Spanish 7309 GMT 31 Jan 81]

NEW UNIVERSITY--President Pinochet has signed a decree creating the autonomous university of Valparaiso and has named (Renato Damilano) as the university rector. [PY111740 Santiago Chile Domestic Service in Spanish 1000 GMT 11 Feb 81]

CSO: 3010

GARCIA PARRA DEFENDS HIS MINISTRY

Bogota EL ESPECTADOR in Spanish 5 Jan 81 Sec A p 8

[Text] Yesterday, Finance Minister Jaime Garcia Parra made a forceful defense of the economic policy, claiming that it is aimed basically at achieving prosperity for all Colombians and is not fostered on demagogy, populism or false promises.

The finance minister explained that this policy is not his, but rather that of the president of the republic; and, in responding to the criticism made of it by trade union and political leaders, he said that each views it according to his own interests, but that it is incumbent on the government, and him personally, "to view it through the lens of the interests of all Colombians."

He explained once again that the international reserves are a savings for the country which will enable it to cope with the "straightening out of the coffee boom" which has now started, and that Colombia will be in that favorable situation thanks to the economic management given it by the present government.

Garcia Parra stated that the world is in a recession at present, with the exception of Colombia, a country with the advantage of having shown a growth less than that of previous years, but satisfactory: twice that of the population.

He emphasized that, in Colombia, monetarism is confused with adopting economic measures, and he declared that he was a friend of the UPAC [Savings Certificates with Constant Purchasing Power] system but a foe of high interest rates. In this regard he noted that the cost of money will soon drop to the level of the inflation rate.

Minister Garcia Parra responded to a "bombardment" of questions on the TV-World news program and, when pressed about the criticism of the economic management, said that the latter has been carried out without spectacular or sensational features, neither to please the trade unions nor to please private interests.

He claimed that the government has not declared amnesty for concealed assets, and will not do so; because, among other things, it would be unfair to those who honestly contribute to the national treasury.

The finance minister confirmed his retirement from the government soon, but declined to state the activities in which he will engage.

He responded to statements from former President Misael Pastrana Borrero regarding the national economic situation, and from trade unions which expressed their view on the results at the year's end; maintaining that the country "is not on the brink of a recession, precisely because of the policy that has been maintained in the area of reserves, and the provisions that have been made for the lean period."

As for a possible shift in the economic policy on the occasion of his departure from the government and the change in political affiliation of the head of the Ministry of Finance and Public Credit, he said that "the economic policy changes every day."

In the lengthy interview, Minister García Parra commented on the situation being experienced by a large section of the country owing to the rationing of electricity; and, in this regard, he observed that it is a problem that he predicted in 1976, in a lecture given in Cali, when he was serving as minister of mines and energy. He attributed the phenomenon to the rise in the demand for energy, the energy consumption and the rates in the sector which have lagged with respect to its financial requirements. On this topic, García Parra again stressed the importance of the National Electric Fund, an entity which was proposed to the Congress at the time, but which did not receive approval owing to various circumstances.

Economic Management

In his statements on TV-World, Minister García Parra responded to criticism from the Conservative leader Belisario Betancur Cuatrecasas, of his economic management:

"I think that he is right, because I do not have an economic policy; the one that has an economic policy is the government. The government has had a very clearcut policy, a policy designed to keep inflation at the lowest possible levels within the world context; within the context of the circumstances under which we are acting. It is designed to maintain a development rate geared to the circumstances under which we are living, and to make a policy to benefit the national majorities, paying particular heed to the social sector, as demonstrated by the president of the republic in his speech of 31 December; and attempting to enable Colombians to work, not attempting to mistreat them; and without engaging in demagoguery, populism and false promises which have become so fashionable among individuals who have not arrived."

He also answered the criticism from the private unions, commenting in this regard: "I don't understand, because the unions themselves or their representatives, in statements that I have seen in the press, mention the fact that the country has grown between 4 and 5 percent this year. How can they talk about recession and growth?"

He was asked: "Could it be that they are contradicting themselves?"

"Well, as a more or less similar popular saying puts it, everyone sees things in his own way; and it is only natural for people to criticize, and to think that they could have fared better, especially those who assumed that the country would have much greater inflation and that the government would not have the courage to establish the discipline that was necessary to reduce inflation, instead of having inflation rise, as has occurred in most of the world. It is logical that there be complaints from the trade unions; each union has to view the economic area through the lens of its own economic interests. It is incumbent on the government, and the finance

minister, to view it through the lens of the interests of all Colombians. One finds some very great contradictions: there are unions which would like one to devalue, and others which would like less devaluation. This is why the coordination that the government has planned in Congress is so good, because it is a good thing to have everyone sit down at the table to coordinate the policy and make suggestions; but with everyone gathered together, not sectorially."

Garcia Parra responded to concern about the handling of international reserves, a topic on which he made the following comment:

"The international reserves are a savings for the country, a savings made during the coffee boom period, and in the period of a boom in our exports, precisely so as to cope with the period that is coming. It is like when a father saves a few cents, keeping them in the bank, or in investments in securities which earn interest, for the time when he might be unemployed, so that what he produces will not be worth less, and he can continue to educate his children, and support his family. Those are the country's international reserves. You (reporters) are very young, and you don't remember that, after the last coffee boom in 1954, the country was left without reserves and embarked upon a great exchange crisis, which lasted until 1969. At the present time, the country is embarking on a period that we might call one of straightening out the coffee boom with a position of strength, that will enable us, from now on, to continue maintaining a reasonable rate of economic activity. It cannot be expected that the country will have the same rate that it had when the coffee boom coincided simultaneously with the oil boom in Venezuela, the oil boom in Ecuador and the boom of expansion in the world. The world is in a recession at present, with the exception of a country such as ours, which has the advantage of having shown a growth less than that of previous years, but a satisfactory growth: twice the growth of the population."

With regard to the UPAC system and high interest rates, Minister Garcia Parra made the following remarks:

"I am a friend of UPAC; I am not a friend of high interest rates. I am a friend of real interest rates; that is, I believe that the country has progressed a great deal in that respect. People have understood that you cannot ask a person to save, and pay him less than what the increase in inflation takes away from those savings. In other words, if you save 100 pesos, and the cost of living rises 25 percent during the year, if you do not earn that extra 25 percent, you are losing. Now I believe that UPAC has contributed to the presence of real interest rates in the country. I have not been a foe or a critic of UPAC; in that respect I have differed from several persons."

On the same subject he added: "I think that the interest rates are a little high, but it seems to me to be a lesser evil, in a situation such as the one we are experiencing, to have interest rates that are a little higher, and an inflation rate that is a little lower. Later, the interest rate will drop to the level of the inflation rate, within a short time. On the other hand, if you have loose money, and excess money on the street, it is likely that the interest rate will drop within a short time, but when inflation rises it will go up again. That is the country's history. Look at the interest rate in 1967: they set it at 14 percent when there was 7 percent inflation; in other words, double the inflation rate at the time.

So real interest rates are not an invention of this government nor of this policy; they date back far into the past. For example, the UPAC system introduced the indexing that I mentioned to you before. In other words the interest rate was being paid plus the indexing; and in 1973-74 there was inflation like the present one, but at a time when the inflation in the world was not so great, and interest was paid in UPAC that was as high as that being paid today on the capital market."

Minister García Parra overtly disagreed when asked whether this government's economic policy was developmentist or anti-inflationary; and denied that the social aspect has been affected.

He declared: "What the government has sought is a very difficult policy, a policy of balance and compromise, not a policy with spectacular or sensational features, and not to please the trade unions or to please private interests. We have sought, rather, the overall prosperity of the country, and to be able to take public works to all areas, rather than do something spectacular in just one sector."

Concerning statements made by former President Misael Pastrana Borrero about recession and stagnation, García Parra responded:

"I have a difference of views with former President Pastrana in this regard. I find his legitimate and respectable. This is a system in which each individual can have whatever opinion he wants about the handling of affairs. And I don't believe that we are on the brink of a recession, or repression; not in Colombia, precisely because of the policy that has been maintained in the area of reserves, and the provisions that have been made for the lean period. I think that the country has an inflation rate similar to that during the years 1973-74-76, more or less within the average of inflation during this decade. In the decade, the inflation was under 10 percent, and until 1972 it was about 12 percent. Then it rose to 24-25 percent, and it has remained more or less on that level. I think that it has been a great effort for the country. For example, countries filled with oil like Mexico will have 30 percent inflation this year. I would not even make a comparison with Brazil, Argentina or Chile. The United States will probably have 14 percent."

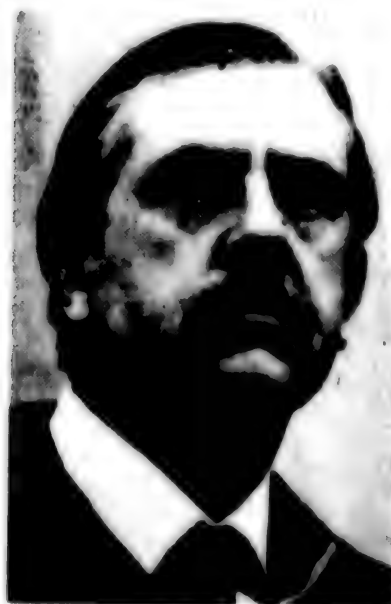
Minister García Parra made the following assessment of the electricity rationing problem:

"I cannot really understand why people are surprised that there is rationing of electricity. At a lecture that I gave as minister of mines in 1976, in the locality of Cali, entitled 'Electrical Development at the Crossroads,' at a time when the country already had energy rationing that year, I announced to the nation that, if we did not succeed in making a very accelerated policy, we would have large-scale rationing from 1981 onward, and that we were already inexorably fated to have the rationing which we have now. This is due to two or three main reasons: in the first place, the rise in demand for energy, and the energy consumption among us Colombians, which is rising very rapidly, as much as 10 percent per year. Secondly, electricity rates have lagged for many years. The generation of energy is not contingent on the central government. No, it is contingent on the municipal governments, and the energy companies, especially those of Medellín and Bogotá, which are the largest in the country. In this case, the programs have lagged. But the country

will have to undergo rationing unless it makes an effort to save electric energy. I think that we use too much energy. In that lecture, I gave a reminder that there was not a single Colombian who turned off the lights in his house when he left it."

He was asked: "What happened on that occasion?"

"We proposed the creation of a National Electric Fund, and submitted it to Congress. In that fund we proposed a special surcharge for consumption of over 200 KW per month ; in other words, for the consumption of those who had means. Its purpose was to provide the compensation required by the international entities for the loans which are immense in the area of electric energy. Today, a powerplant can easily cost \$1 billion or \$1.3 billion. That bill was not passed in the National Congress."



Minister Garcia Parra

2909

CSO: 3010

BARCO SPEAKS ON ECONOMIC PROBLEMS

Bogota EL ESPECTADOR in Spanish 20 Jan 81 Sec A p 11

[Text] Following is the text of the lecture delivered yesterday by Dr Virgilio Barco to the Bucaramanga Trade Associations Committee, during the course of a political tour that he is making through Santander:

The Cost of Living, a Political and Economic Problem

During recent years, probably few things have concerned so many people in so many countries as much as the constant rise in the cost of living.

Few phenomena are as destructive of the social order or give rise to so much conflict and causes of frustration as this. Based on the average annual rise in the cost of living, from 1970 to 1979 the Colombian peso lost as much as four fifths of its purchasing power. If everyone's income had increased equally, or preferably somewhat higher than prices, the increase in the latter would be of relatively little significance. What is damaging, and causes serious imbalances, is the fact that, inevitable and relentlessly, some income increases far more than prices, and other income increases far less. There is no mechanism in our society that will insure fairness or balance in these changes.

Hence, I do not consider all the emphasis that is placed on the analysis and resolution of this situation to be excessive.

Exacerbation of Injustices

Therefore, that imbalance between income and prices causes some people to benefit from inflation, while others are harmed. These profits and losses are not related to the productivity of each individual, but rather to the fact that some have a stronger negotiating position than others, and hence they can take advantage of an increase in demand. Others, in a weaker negotiating situation, who are in the majority, are the ones who suffer. Consequently, the inflation brings about and exacerbates the most unjust aspects of our economic system.

More than any other circumstance, the tensions and imbalances caused by inflation have had the effect of weakening the confidence in the economic system, and even in the political system and institutions.

Of course, we are indignant when someone attacks property, and strong measures are usually taken to prevent or penalize such an act.

But inflation is the most dangerous thief of all. It reduces the savings for old age that a person has accumulated all his life, and nothing is done against this attack.

It is true that there are indexing systems for a few types of savings. This only covers an insignificant portion of the losses of assets and in the standard of living suffered daily by citizens as a result of the constant rise in the cost of living.

The Effect of Money

We must identify the causes of the widespread rise in the cost of living, and adopt measures that will prevent additional hikes. Both tasks are equally nondeferrable. There is, without doubt, no consensus regarding the causes of inflation. However, among the scholars who have devoted themselves to the study of this problem, the disagreement that exists is actually more concerning the intensity and type of phenomenon itself than concerning the identification of the fundamental causes.

All are in agreement that a constant, extensive creation of money in excess of the production of goods is the initial trigger for the general rise in prices and the necessary condition for maintaining or hastening the inflationary race.

In other words, an overly rapid rise in the volume of money in circulation is an essential condition for persistent inflation.

In the past, the usual cause of an increase in prices was the depreciation of the currency or the loss of its metal content and use of bill printing as a fiscal resort, especially during wars. In recent years, one country after another, in all instances, has been able to note that the larger the expansion of money in circulation with respect to real production, the more accelerated the increase in the cost of living is.

Secondary Causes

Other causes have often been diagnosed. Some economists place emphasis on the struggle among various groups to obtain improvements in wages and salaries, or price hikes for consumer goods; whereas others cite poor harvests and the reduction in supply, as in the case of petroleum and its byproducts. It is frequently pointed out that inflation is "imported," and that a given country can do very little to ward off its effects. Obviously, all these explanations have some validity, particularly insofar as they help to initiate or aggravate it. Even the booms and the exports of "invisible items" or of so-called "services" may be included among the causes; but the most important and most significant of all the factors noted is the excessive creation of cash.

If we consider, in our case, the so-called "imported inflation," we must take into account the fact that the total imports account for only 10 percent of the gross national product, and that the prices of imports are increasing, on the average, about 20 percent per year. We must conclude that only 2 percent of the general price increase may be attributed to imports.

As I mentioned previously, a price increase can be triggered by the general hike in wages and salaries and an increase in costs above real production. But, so long as

there is no increase in the money in circulation there will not be sufficient monetary demand to purchase the existing production at the new higher prices. It is in this case that unemployment occurs, or the danger of its occurring arises, and when the monetary authorities authorize the issuance of more money to activate the depressed demand. The germinal factor might well be that excessive increase in costs and prices; however, the factor which impels the increase in prices is always the increase in the money supply.

I Am Not a 'Monetarist'

At this point, someone may think that I am talking like a "monetarist". I am not quite sure of the nature of what is commonly termed a "monetarist," but I do know that it generally has a pejorative meaning, and is applied to those who blindly believe that there is an exact, direct relationship between the money supply and prices. In this sense, and according to this definition, I suppose that no one is a total monetarist. For my part, I can flatly assert that I am not.

If the term means that one believes that, in the long run, there is an approximate correlation between the excessive increase in the money in circulation in relation to production and an increase in prices, in this case it might be claimed that all those who write about monetary theory are "monetarists." In other words, like almost everything in life, it is a matter of degree and effect in time.

The Political Factor Is Basic

Now then, you may ask: Why are the appropriate measures not taken for this purpose? If we are all opposed to inflation, why does the inflationary process persist? In the first place, I am afraid that not everyone is opposed to inflation. Some benefit from inflation and those who suffer its consequences are not sure about the nature of the phenomenon or are opposed to the specific measures required to combat the increase in the cost of living. Moreover, with the increasing persistence of inflation the community to some extent becomes adjusted to the situation, and this causes even stronger measures than those previously prescribed to become necessary, which naturally evokes resistance. This is why it is often claimed that the solution to inflation is more a question of political management than economic measures. The public must be very concerned about inflation to insist that the government adopt the indispensable measures for combating it, and also to support their implementation later. This is the main reason that the success in the battle against inflation is far more notable in some countries than in others. The technical measures applied in Germany, Switzerland and Japan are well known, and all countries can use them. They are no secret.

The difference lies in the political desire to adopt them and to persist in implementing them; something that requires the public's considerable understanding and resolute backing. It is not superfluous to point out that the aforementioned countries are major oil importers. This might prompt us to think that they should be more susceptible to inflation than many others; but, as a whole, their performance in this area has been better than that of the oil exporting countries themselves.

I think that we are approaching the time, if it has not already come, when the Colombian people will demand that their government make whatever additional effort is required to combat and stop further price increases.

'Greater Effort Is Needed'

I stress the term "additional" because we all admit that great efforts have been expended in this regard. Most of the recent huge inflow of foreign exchange, over \$5 billion or, at the present exchange rate, 250 billion pesos, was blocked in various ways, and the government should be given all the credit for that great effort.

However, expansionist forces of excessive magnitude continue to appear. The expansion in the medium of exchange has amounted to about 25-30 percent per year, which is equivalent to five times the rate of growth in the real production of goods and services. So, while I applaud and recognize with all their worth the tremendous efforts that have been made, I want to state that I consider it essential to make an even greater effort, and to persist in it until its results are totally satisfactory.

When I was a member of the Board of Directors of the World Bank, elected by Colombia, I had occasion to study the inflationary process in many countries. This was a constant issue, and the bank's experts made many studies. I noticed quite often how governments with the erroneous hope of gaining temporary popularity gave in to pressure groups, and later had to suffer the consequences of the anger of the people disappointed by the government's failure to check the increased cost of living. It was obvious that this alone was the most important political problem in the countries, and the most frequent cause to which the fall of the governments could be attributed.

The Economic Aspect

It is unquestionable that the issue includes many aspects of a technical nature, and that they are supremely important. It may be that the public does not understand all the technical aspects of the problem, but it does, indeed, understand the final results well: a chronic increase in the cost of living, which has the most serious consequences for the most neglected population.

It is in these different respects that inflation should be regarded not only a political problem, but an economic one as well. It is economic in that it affects the welfare of millions of people. It is political in that it triggers a large variety of reactions that are not all propitious for the battle against inflation. It is often possible that these reactions and the measures that they produce may worsen the problem.

Stability With Growth

A factor which makes the problem even more difficult is that the citizens are, at the same time, concerned that the growth continue at a fitting rate. To insure stability at the cost of growth would not be a fitting solution. The goal must be stability with growth. Even though some may claim that this is even more difficult to achieve, I am not one of them. There are some well documented cases wherein it has been attained. I admit that there are not many, but they are sufficient to indicate that this is not impossible if a government adopts the technical correct measures and perseveres with them. It is worthwhile recalling that, during the

entire last century, the economies of the Western world grew under relatively stable conditions. Moreover, there is evidence that inflation is an obstacle to growth, and hampers development.

In order to emphasize certain salient points, I have very likely oversimplified the short term monetary policy problem. In the first place, when making day to day decisions we cannot use the immediately previous experience and properly evaluate the consequences of our decisions.

Economic information is not found only in dispersed form; rather, the most important data are often produced or published with a lag. Hence, we often have to use as a basis our best estimate of what is actually happening.

Usually, statements are made which can only be contradicted with facts much later. In the analysis, we must use the weekly or monthly variations, instead of the statistics which compile them. Events dissociated from monetary events affect prices, in addition to which it is difficult to assess their quantitative scope accurately. One must constantly make decisions based on the best possible personal assessment.

Avoiding Expansion and Creating Expectations

Nevertheless, the general relations that I discussed previously are pertinent, and constitute guidelines for devising a policy.

For example, some countries have adopted goals for growth in the medium of exchange approximating the estimated growth in production a little higher than the latter. Such policies are being subjected to scrutiny and are being studied with particular interest. I do not believe that the problem is one involving one or two percentage points of monetary growth, but rather a matter of avoiding rates of expansion in the money in circulation which are obviously excessive if they exceed the rate of growth in the real production that can actually be expected four, five or six times.

Colombia's experience and that of other countries underscores the importance of expectations in economic activity. It seems to me to be extremely important to create expectations of greater stability accompanied by continued growth. If there is credibility, the private sector can make plans based on a normal growth in real demand, and will not be tempted to toy with great variations in its inventories, the financial repercussions of which and those on production complicate enormously the task of achieving and maintaining growth with stability. The key lies in the citizens' having to trust in the government's ability and resolve. Half the battle is won if the government can obtain consensus on this. If it proves impossible to create, one cannot claim that the task has become impossible, but it has, indeed, become far more difficult.

Another major effect of expectations on greater stability is that there is immediately created an atmosphere of greater objectivity in the wage negotiations. This increases the likelihood that the wage agreements will more closely approximate the real expectations of growth in productivity. The economic position of any group in the community should not become worse because of inflation.

But, on the other hand, all groups should remember that an increase in monetary income with respect to the production of goods is reflected in unbounded competition among the consumers, which makes consumer goods more expensive. This holds true even under the conditions of a disproportionate number of legal holidays in Colombia. When work is not being done there is no production in real terms, even when the wages are being earned in monetary terms. But, in this instance, we are once again consuming more than ever in real terms.

The Interest Rates

Another major effect of these general observations on the devising of policy is associated with the relationship that exists between monetary control and interest rates. There is without doubt a great deal of confusion about this matter. Some authors seem to think that an expansionist monetary policy, by increasing the supply of funds for loans, tends to reduce interest rates. But it is obvious that, if the policy is sufficiently expansionist to produce inflation, it will result in a greater rise in the demand for loans, and therefore in a rise in interest rates. There is no question, then, and it has been proven to excess, that nominal interest rates tend to follow the increase in prices. Another result is associated with the coordination of monetary policy with the rate of exchange and the foreign trade policy. The currency of a nation has two different values: one, its power to purchase goods and services within the country; and another, its external value in terms of other currencies and goods from other countries. It is obvious that the variations in these values have repercussions on the exports or on the foreign trade and economic activity of the country. What complicates the situation further still is the fact that the external value of the currency is influenced not only by the relative price levels and commercial flow, but also by the capital turnover. Therefore, a country's economic policy must take into account the external value of the currency, as well as the internal value, and the activity that results from both the international and national policies. One goal must be to avoid an increase in domestic prices with respect to external prices, or to prevent the exchange values influenced by capital flow from having an adverse effect on exports and economic activity.

It is no easy task to achieve a balance between the different participating interests.

Conclusion

To avoid increases in the cost of living or, rather, to devise policies that combine price stability with economic growth, is a difficult task which demands technical skill. A great deal has been written on the subject, and many professionals have devoted their lives to it.

The task of a government in this area is not that of being original, but of being aware of the technical options, and using its best judgment to adopt policies which will best serve the country's interests. But, primarily, its task is that of unceasingly seeking the general goal in a consistent manner and with perseverance.

However, a government cannot operate in a vacuum, particularly in a democratic country. It must necessarily take public opinion into consideration. This is simply another way of saying that it cannot honestly be expected that any government can

attempt to attain the twofold goal of growth with stability without public support. For this purpose, it is critical that there be an expression of this support, and the formation of a public opinion. Hence the responsibility borne by the production associations and the news media, as authentic spokesmen for all the different economic sectors.

2909

CS01 3010

POLICE PROMOTIONS, AWARDS ANNOUNCED

Bogota EL SIGLO in Spanish 20 Dec 80 p 8

[Text] At 1200 hours on 22 December, on the parade grounds of the General Santander Police Cadet School, a special ceremony will take place to present the Category A 30-year Class service medal to the Messrs Maj Gen Pablo Alfonso Rosas Guarín, general director of Police, and Maj Gen Francisco Jose Naranjo Franco, deputy general director of the institution, which was granted them by the Ministry of National Defense in accordance with the terms of Decree 3160 of 1959.

The function will be headed by Gen Jose Gonzalo Forero Delgadillo, commander in chief of the Armed Forces, and will be attended by civil and Church authorities and prominent personages from the nation's capital, especially invited to the ceremony.

Promotions

At the same ceremony, insignia will be given to higher-ranking officers of the National Police who were promoted to the next higher rank in accordance with the terms of Decrees Nos 613 of 1977 and 08 of 1980, which regulate the profession of National Police officers.

To Colonel in Surveillance Branch

Lt Col Alvaro Fernandez Rincon, Lt Col Gustavo Gonzalez Puerto, Lt Col Carlos Arturo Casadiego Torrado, Lt Col Gildardo de Jesus Ospina Arias, Lt Col Miquel Alfredo Acero Lozano, Lt Col Manuel Veilejo Vela, Lt Col Guillebardo Alfonso Suarez Hernandez, Lt Col Franco Ignacio Pazmino Guerrero, Lt Col Ismael Enrique Talero Suarez.

To Lieutenant Colonel in Surveillance Branch

Maj Octavio Saul Martinez Alvarez, Maj Evencio Villarraga Guerrero, Maj Placido Roza Rodriguez, Maj Carlos Alberto de la Torre Alarcon, Maj Armando Ramirez Ramon, Maj Eduardo Alberto Correa Manjarrez, Maj Jose Dario Rodriguez Zapata, Maj Jesus Emilio Duque Montoya, Maj Luis Gonzalo Lindarte Uribe, Maj Jose Arturo Gutierrez Reina, Maj Jesus Maria Jauregui Cardenas, Maj Julio Cesar Castaneda Pinto, Maj Fabio Campos Silva, Maj Rafael Maria Buitrago Velandia, Maj Jaime Arturo Barreto Toloza, Maj Rafael Humberto Arias Sanchez, Maj Javier Arbelaes Munoz, Maj Jose Elias Munevar Perez, Maj Jose William Bermudez Zapata, Maj Jose Roza Barrera Gelvis, Maj Jose Lelio Vargas Sotomonte, Maj Nepomuceno Garcia Rodriguez, Maj Julio Hernandez Acosta.

The ceremony for presenting insignia to the subordinate officers will take place at 1030 hours on the parade grounds of the same institution, with Maj Gen Pablo Alfonso Rosas Guarín, general director of Police, officiating; and will be attended by high-ranking officials of the institution and special guests.

At this ceremony, the insignia of major will be given to 30 captains in the surveillance and services branches, that of captain to 58 lieutenants, and that of lieutenant to 72 second lieutenants.



Teniente coronel
Gustavo González P.



Teniente coronel
Franco Parraño G.



Teniente coronel
Gildardo Ospina Arias



Teniente coronel
Immael Talero Suarez



Teniente coronel
Miguel Acero Lozano



Teniente coronel
Manuel Vallejo Vela



Teniente coronel
Guillebardo Suarez H.



Teniente coronel
Carlos Casadiego



Teniente coronel
Alvaro Fernandez R.

IDB TO FINANCE PLAYAS HYDROELECTRIC PLANT

Bogota EL SIGLO in Spanish 29 Dec 80 p 8

[Text] With the approval by the Inter-American Development Bank of a loan of \$85 million to the Public Enterprises of Medellin, the total financing was assured in its entirety for the construction of the Playas Hydroelectric Plant, a facility that will have a capacity to generate 200,000 kilowatts.

The total cost of the project is estimated at \$362.3 million, of which sum the IDB loan will cover 23.5 percent. The World Bank, through a loan of \$85 million scheduled for its consideration at the beginning of 1981, will contribute another 23.5 percent; while loans from commercial suppliers and banks will provide 14.3 percent; and the Public Enterprises of Medellin will contribute the remaining 38.7 percent.

The credit approved by the Inter-American Development Bank was extended from the bank's interregional capital funds for a period of 20 years, at an interest rate of 8.25 percent per year. The funds will be disbursed in dollars or other convertible currencies. The loan will be paid in half-yearly installments, the first of which must be paid 6 months after the date set for the final disbursement.

Facilities Included in the Project

The new plant to be built on the Guatape River, in the department of Antioquia, some 63 kilometers east of Medellin and 16 kilometers upstream of the site on which the San Carlos hydroelectric complex is under construction, calls for the following facilities:

Impounding and adduction facilities, including a reservoir with a capacity for 85 million cubic meters, formed by a rock fill dam 456 meters long, a spillway 280 meters long and a concrete-lined impounding structure 25 meters tall.

A powerhouse which will include two underground hollows, one designed to contain 10 single-phase transformers, and the other for three connected turbines, with their respective generators, each for 67,000 kilowatts.

A surface substation, which will connect with the San Carlos-Guatape transmission line through a 230 kilowatt line 1 kilometer in length.

The project also includes the construction of a transmission line 14 kilometers in length to supply power to the construction area, a bridge over the Guatape River and 40 kilometers of new highways.

The Playas Hydroelectric Plant is part of the context of the program to expand the interconnected system by the period 1984-88, whereby Colombia is building five hydroelectric facilities of a priority nature, designed to replace the present power generation based on gas and oil, and, simultaneously, help to solve the serious energy problems facing our country at present.

2909

CSO: 3010

SPAIN OFFERS SHIPS FOR MERCHANT MARINE

Bogota EL TIEMPO in Spanish 21 Dec 80 Sec A p 16

[Text] The Spanish Government announced today its proposal to supply vessels for the renovation of the Gran Colombia Merchant Fleet, and to participate in the construction of a plant to manufacture steel plate and on other fronts of cooperation.

These proposals were set forth in a statement released at the conclusion of the official visit to Colombia made by the head of the Spanish Government, Adolfo Suarez Gonzalez, at the invitation of President Julio Cesar Turbay Ayala.

The text of the document reads as follows:

In response to the invitation which the president of the Republic of Colombia, His Excellency Mr Julio Cesar Turbay Ayala, tendered to him at the end of his state visit to Spain in June 1979, the president of the Spanish Government, His Excellency Mr Don Adolfo Suarez Gonzalez, accompanied by his wife, paid an official visit to Colombia on 19 and 20 December.

President Suarez had previously participated, on 16, 17 and 18 December, in the ceremonies commemorating the sesquicentennial of the death of the liberator, Simon Bolivar, signing the declaration of Santa Marta on that occasion, with the attending heads of state.

Included in President Suarez' party were the ministers of foreign affairs and economy and commerce, as well as the state secretary for information, the president of the Institute of Ibero-American Cooperation and other high-ranking officials in the Spanish administration.

The president of the Spanish Government held talks with the president of the Republic of Colombia in which they discussed in depth current international issues, as well as the specific problems of the Ibero-American subcontinent, attesting to a complete identification of views, and asserting their desire to keep mutually informed with a view toward the future.

In reviewing the Spanish-Colombian bilateral relations and confirming their excellent progress and development, they were mutually gratified by the strength of the ties between the two fraternal nations and by the increased understanding and cooperation with which the contacts between the respective peoples and governments are taking place.

Finally, both presidents agreed that the coexistence and prosperity of peoples should be attained in the context of a state of law, based on the primacy of the law, wherein all the rights of the individual and the lofty democratic ideals of freedom, justice, solidarity and participation are affirmed and respected.

The Colombian and Spanish ministers of foreign affairs exchanged the instruments for ratification of the basic convention on scientific and technical cooperation of the commercial agreement and the agreement for diplomatic support and complementation, signed by all three in Madrid on the occasion of President Turbay's visit to the capital of Spain. The aforementioned ministers who, for their part, held talks on topics of mutual concern, also signed a supplementary agreement for cooperation in nuclear energy for peaceful uses. The Spanish minister invited his Colombian colleague to pay an official visit to Spain; the Colombian minister accepted the invitation for the near future with pleasure.

The Spanish minister of economy and commerce and the Colombian minister of development also held talks in which, with their respective delegations, they analyzed the status of Spanish-Colombian relations in the sectors of commerce and scientific and technical cooperation. During the course of these talks, both sides expressed satisfaction with the progress of the exchanges between the two countries throughout 1980, due primarily to the favorable trend in Colombian coffee sales to Spain and the progressive increase in traditional Spanish exports.

With regard to the cooperation in the coal sector, both delegations voiced interest in maintaining the existing collaboration in the area of coking coal, and in increasing the activity related to production and supply of coal for thermal use.

Both sides also exchanged congratulations on the good progress of the exploration activity for radioactive resources that is currently under way. They were, in addition, agreed on the feasibility of extending the scope of the cooperation in mining to other nonenergy resources; and, for this purpose, they set up the pertinent schedule for contacts. The desire was expressed by Colombia that Spanish firms participate in a project to construct a direct reduction plant, and the subsequent manufacture of steel plate.

Moreover, they reviewed the possibilities for cooperation in the electrical sector, and the Spanish representative expressed gratification at the awarding of the construction of the Salvajina dam to a Spanish company.

In the area of technical cooperation, the importance of the agreements signed by the Colombian Industrial Development Institute and the Spanish National Institute of Industry was underscored.

The Spanish delegation voiced its interest in the supplying of ships for the renovation of the Colombian merchant fleet.

Finally, the two foreign ministers and the ministers of economy and commerce, and development, analyzed the possible repercussions of Spain's entry into the European Economic Community on Spanish-Colombian economic relations, particularly with regard to traditional trade products.

During his stay in Bogota, the president of the Spanish Government was officially received at the Colombian Language Academy, met with the Spanish colony at the Casa de Espana and visited the Colombian Institute of Hispanic Culture, and also dedicated the Cervantes Library. Together with President Turbay Ayala, he also dedicated the Reyes Catolicos Spanish educational and cultural center, which reflects the attention and concern with which both sides view the cooperation in the field of education.

At the conclusion of his visit, President Suarez expressed his most ardent appreciation for the cordial hospitality and reception given both him and his party, and for the countless courtesies paid them by the president of the republic, and the Colombian Government and people.

Bogota, 20 December 1980.

2909
CSO: 3010

BRIEFS

PASTORA STATEMENTS ON GUANACASTE--Costa Rican public opinion has reacted angrily to recent statements made by Nicaraguan revolutionary leader Eden Pastora, better known as Commander Zero. Three deputies have also expressed their displeasure. According to a report which was broadcast here, he said: we are going to raise a people in arms, 80,000 or 100,000 riflemen will be ready. We will not be deprived of more territory like Guanacaste in the south nor of disputed territories in the north. The San Andres, Roncador, Serrana and Quita Sueno, islands or keys in the Caribbean will not be taken away from us because we are going to defend our sovereignty in international forums and battlefields. Many persons have called about Pastora's statements and have asked that Pastora, who owes so much to the Costa Rican people and government, retract his words or declare himself to be against Costa Rica, whose nationality he has by his own choice. Meanwhile legislators Omar Arrieta Gonzalez, Ortega Matarrita and others have repudiated Commander Zero's words, saying that he has ignored history with his statements, because Guanacaste is Costa Rican by its own free will. [Text] [PA282322 San Jose Radio RELOJ in Spanish 1730 GMT 28 Jan 81]

CSO: 3010

FIDEL CASTRO CLOSES PEOPLE'S GOVERNMENT NATIONAL ASSEMBLY

Hrva a VERDE OLIVO in Spanish 4 Jan 81 pp 11-14

[Speech by Commander-in-Chief Fidel Castro Ruz, first secretary, Central Committee, Communist Party of Cuba, and chairman of the council of state and of ministers, during the closing address for the second regular period of sessions of the National Assembly of People's Government, held in the Palace of Conventions on 27 December 1980, "Year of Second Congress": "Production and Defense"]

[Text] Never before has this slogan been such a vital necessity. In our judgment, optimum conditions have been created as never before for the accomplishment of this slogan. Fidel during the closing address of the second regular period of sessions of the National Assembly of the People's Government.]

Comrades,

I will not talk at length, so as not to repeat ideas, lines of reasoning, facts, and positions which have been amply expressed during recent days. The importance of this summons to the National Assembly among other things springs from the fact that we completed the Second Party Congress 7 days ago.

The resolutions of the Congress and the circumstances which we are going to have to face in the near future give this assembly a special character. Of course, we all had to work intensely during this year, especially in recent months toward the preparation of the Congress, in drafting the Annual Plan, in drafting the Five-Year Plan, in analyzing the long-range plans, and, moreover, because of the need for convening the National Assembly. In this case, the Political Bureau which by custom discusses and analyzes the various bills, had no prior opportunity to study those bills, that were going to have to be presented, in a thorough fashion.

We are facing a really exceptional period of time. The change in administration in the United States unquestionably implies risks for Cuba, risks of all kinds: Risks of identification of the blockade against Cuba, risks of activities by the CIA, etc., risks of increasing hostility and counterrevolutionary activities aimed at Cuba, risks of sabotage, experiences which we have had earlier but which we must now be very much aware of in these new circumstances.

That does not mean that we are in favor of seeking confrontations at any cost but that we realistically analyze the risks inherent in the situation and that we believe that it is fundamental duty to prepare ourselves.

This change in domestic politics in the United States, which has cleared the way for the most reactionary, the most right-wing elements in that country's government, is combined with another series of factors: This is a combination of the convulsed situation in Central America, the growing revolutionary fight of the peoples of El Salvador and Guatemala, the rise of the revolutionary movement in Latin America, the growing symptoms of unity among the revolutionary forces, signifying a multiplication of their possibilities and therefore also their fighting capabilities, the international situation, the existing complication in the Middle East, the war between Iraq and Iran, the hostage situation which has still not been resolved, on top of which we have other events, as we explained in the Central Report, which is the case with the dangerous and explosive situation in Poland, whose final resolution cannot yet be anticipated, although we do hope and retain the hope that the Polish party will be capable of handling that situation with its own internal forces.

In addition to that we have the energy crisis, the international economic crisis, which quite logically create tensions everywhere. I have a cable here which came out 2 days ago, with a comment from a Western agency, an agency which is quite Western and which defends the interests of the West, disclosing its ideas, in other words, the French Press Agency. "In view of the dramatic aggravation of international tension and without any prospect of being able rapidly to resolve the economic crisis, Christmas in Europe was celebrated today in a climate of desolation because of the difficult results of 1980 and the uncertainty and fear connected with the rather somber panorama presented by 1981.

"The absence of enthusiasm which characterized these celebrations in the majority of the European countries very clearly expressed the fear aroused by the predictions of the experts who anticipate a great increase in unemployment, a new petroleum price rise, further inflation, and a particularly tense worldwide situation.

"This feeling of fear, which under certain circumstances assumed characteristics of a real panic, is manifested by a noticeable decline in commercial activities--between 12 and 25 percent--quite clearly in contrast to the opulence of recent years.

"The chambers of commerce of France, Great Britain, Italy, West Germany, Holland, Belgium, Switzerland, Sweden, Norway, and Finland--with their various indexes and standards--admitted that this year's billing volume was less than the figures as of Christmas 1980 [as published].

"The public's caution generally is due to the terror inspired by the specter of unemployment that hangs over Europe. This feeling became stronger shortly before Christmas Eve when the 1980 analysis was released, along with the prediction for 1981, as drafted by the OECD for 1981." This is an organization which includes the principal capitalist powers, including the United States.

"After admitting that the Western economy has entered a phase of economic recession, which will be expressed by a reduction in the gross domestic output, the OECD estimated that the number of 23 million unemployed, at this time, could rise to 25.5 millions in 1981, a record figure since the end of the war, hitting 7.5 percent of the active population.

"Most of the European countries will close the 1980 balance sheet with definitely negative results in the matter of inflation and with a deficit in their balance of payments which has reached record levels.

"The prospects of seeing the reappearance of a legion of unemployed resurrected the specter of hunger of misery which was known in Europe during the years prior to the two world wars.

"That situation, the focus of foreseeable of social tensions capable of spreading like a duststorm, can become further aggravated if the prediction of some experts--who anticipate a new rise in petroleum prices--should come through.

"Some British and German experts agree in estimating that the price per barrel of petroleum will come to \$50 in 1981.

"The feeling of sadness, prevailing at Christmas 1980, marked by austerity also expresses the fear that exists in relation to the tense international situation.

"On that continent, which suffered through three wars in one century, public opinion with particular worry follows the evolution of the Polish situation, aware of the fact that possible Soviet military intervention can precipitate a crisis with unforeseeable consequences.

"Europe also with alarm views the period which will start on 20 January next year in the United States, when the Republican Ronald Reagan enters the White House to replace the Democrat Jimmy Carter.

"Reagan, considered in Europe as a representative of the extreme right wing of the United States, arouses fears because of his apparent tendency to harden the United States position towards the USSR to the point of provoking a worldwide crisis that would be difficult to manage during this time of precarious political and military balance between the two big powers."

Regarding Latin America and Cuba we must realize that, although an improvement in the situation can be achieved on the international level, including certain agreements on arms control, I think at any rate that the policy of that administration will be hard, very hard, even openly interventionist toward Latin America and that it will also deal sternly with Cuba, since they consider this hemisphere to be their own private preserve.

In other words, we must realize that, although nothing may happen in Poland, although there may be an improvement in the overall international situation, and although progress may once again be made in the SALT accords, etc., which will be useful and fundamental for peace throughout the world, I think that, at any rate, the policy of that administration toward the revolutionary, progressive,

and democratic movement in America will be a hard-line policy and will feature an alliance with the forces of the right, with the reactionary forces, with the fascists in this hemisphere; these are the facts of life we must start with.

This is why, now as never before, the slogan of production and defense has become a vital necessity.

We have just passed some laws. We consider this law on the environment to be very important, some day perhaps it will be called historical. I believe that the amendments improved it; we have more freedom to keep organizing the way in which we will advance the application of the system spelled out in the law since the cabinet has been given basic responsibility in this matter.

We have approved the 1981-1985 Five-Year Plan, 1981 being the first year of that plan, plus the budgets, etc. These plans are realistic, and that applies to both the plan and the budget. I believe that we must right now start to implement the principle to the effect that plans must be carried out and I think that this 1981 plan can perhaps be overfulfilled; in the final analysis we have to fight to overfulfill it. We must also try to overfulfill the 1981-1985 plan. As we said in the Central Committee Report, we must commit ourselves through plans which will be carried out and overfulfilled, we must not commit the party to things that cannot be accomplished and that however does not relieve us of the duty to do our utmost; our duty is not just to carry out the plan, our first duty is to make a maximum effort and if we do our utmost, these plans can be overfulfilled.

It was correct to act with caution. If in any case we do what we propose to do, we will achieve a considerable advance and we will be moving into improved conditions for progress during the 15 years between 1985 and 2000 because we will already have been doing long-range work during that period of time. Conditions are much better for achieving a direction in the economy and in the services, and in everything, and for attaining much greater efficiency. We will begin to harvest the fruits of what we have been planting during this 5-year term which is about to end, with a country much better organized and with cadres much more experienced, with a much superior overall experience.

On these realistic foundations we also calculated what the possible earnings from our exports might be. But the fundamental thing in the reliability of our plans is based on the medium-term agreements with the socialist countries, for example, the realization that right now we have an assured fuel supply until 1985; not only do we have this assured supply but we must also save as much as we can because, according to the agreements between the Soviets and us, the savings we make in our plans we will be able to convert into additional earnings for Cuba. We must therefore realize that saving fuel during this 5-year term signifies earnings in terms of other commodities deriving from our savings. This is very important in our work. A large quantity of raw materials, semifinished products, equipment items, foodstuffs, and other consumer products has also been agreed upon. In spite of this worldwide situation we thus have a solid base for our work regarding an important portion of the economy.

We will be continuing to face difficulties deriving in the capitalist area from price variations, from unequal exchange, from the ups and downs in the sugar

industry, etc., but we fortunately are in a year when prices have a tendency to go down, which therefore does not obligate us to fill ourselves with ambitions and to want to draw up vast plans which later on will not have a solid foundation; it is more important for us to be able to overfulfill the plan and to do more than we have agreed to do, but to work on secure foundations.

This plan will call for hard work. For example, in the sugar industry, we have a strong commitment to increase the output, especially if we keep in mind the great need for cane which we had to plant anew and the cane which we yet have to plant in order to close the gap. The sugar industry plan is very strong.

Now, if we come out with the harvest we have proposed, if we plant the 30,000 caballerias of cane which we must plant during this next spring--26,000 planned in advance and 4,000 which will not be put in because of the cold weather this year, basically due to the weather which paralyzed the machinery almost throughout the country--well, then we forced to make a supreme effort.

Out of the 300 180-horsepower Komatsu tractors, which were procured, more than half are already here. There has been a little delay in the shipment; we had hoped to have all of them by 30 December and some of them, the last ones, will be here in February, with all of their harrows, their accessories, to help us make this effort. The machine will have to be used in an extraordinary effort since, according to the plan, we require 900 million arrobas more cane in 1982 and the 30,000 caballerias are indispensable for that and we have to plant them early, also taking into account the planting we are going to do between now and May; early planting must essentially therefore have been completed for the harvest by 30 April. A special effort is required in relation to the machinery, a great cooperative effort, and outstanding job by the CEATM [State Committee for Technical and Material Supply], the workshops, the spare parts unloading procedure, because this first period of the year usually coincides with a relatively poor flow of spare parts; we have to use those mostly in the most critical places. The two provinces which must make a maximum effort are Camaguey, where we need a very big planting program, so that the people of Camaguey must make a very special effort, and also Villa Clara.

I am convinced that, if we accomplish those two tasks, we will have overcome the biggest obstacles during this 5-year term, because we would get the biggest cane growth in 1981-1982. It is indispensable, because we must in 1982 increase sugar shipments to the USSR by half a million. If we do not achieve that increase and as the sugar price in 1982 drops, then our situation in the convertible [currency] area will be seriously complicated.

The commitments we have for 1982 force us to make this effort during the first year of the 5-year plan in the sugar industry, where we must close the gap, etc. In the years 1980-1981, shipments to the USSR will be limited to 2.5 million [tons] which will be below the previously anticipated figure; but in 1982 the figure will already be 3 million and we cannot fail, we cannot reduce this figure by a single pound of sugar, a single gram of sugar, because that would not be right, nor would it be honorable. So we are going to have to reduce sales on other markets and in the convertible currency area.

Now, the harvest is going well. I believe that this harvest is beginning to show and must show, in the end, what we can still do to improve our work.

The effort connected with this harvest actually started with the other harvest; even then there were things that had not yet been corrected. If a motor for a sugar mill in Matanzas arrived in March and if 20,000 or 30,000 tons of sugar were lost, that situation was not remedied. If there were problems with the boilers at "Amancio," or at "Argelia Libre," or "Bolivia," or "Guatemala," wherever, that has not yet been corrected.

We made a tremendous effort from that moment on in order to solve all of these problems ahead of time. And we made an effort to do all the planting; we planted more than 20,000 caballerias, the year with the lowest losses of cane, because it is important not only to plant but to plant in such a way that we will not have any losses; then there comes the cleaning effort; and after that the cultivation effort. All of this began with the last harvest, because in agriculture it is not enough to plant 30,000--you have to plant them in an optimum way; you also have to optimize the cultivation area, fertilization, and clearing. This year's operations were the best in the history of the revolution and we can see that in the cane we have; we have cane, we do have cane. And that rainfall, which delayed us a little bit, made the winter planting more difficult for us and will give us more cane [as published].

This year we had to make a major effort in crop cultivation, fertilization, and clearing, a big effort. That is indispensable. We will achieve it and we will be able to do this to the extent that we finish the harvest early. There are some sugar mills which have fallen behind, to put it quite simply; but to make sure that they would not fall too far behind, we had to tell them: "Do not stop," because they were flooded. "Guatemala" is an example with 9 inches of rainfall in December, sometimes 30, 40 millimeters, this time 9 inches. "Urbano Noris" had 24 days of milling more than 1 million, and on one day it milled 1.54 million arrobas and that had to be cut back--the entire province is milling very nicely--to 20 or 23 percent capacity because of the rainfall; but we are sure that they are going to catch up.

We had a cumulative total of 88 percent in December. Last year we did not reach 88 percent on a single day. Many provinces are above the figure of 90 percent. The sugar mills themselves are showing that their milling capacity is greater than would seem in terms of statistics because I could not imagine that that "Urbano Noris" could ever manage to mill 1.54 million in one day. Many sugar mills have been milling above the 100-percent mark of their potential; it is thus encouraging for us to see how the harvest is coming along. We have an idea that there might be a little bit of a drought and that there might be something of a cold spell.

We have had more than enough machete cutters almost everywhere. The productivity per machete cutter and per machine has gone up. There are places where they were running three machines before but they are now running only two machines and they keep one in reserve. This is how the harvest is going.

Right now and during the first few days of January, the rest of the sugar mills are going to join up. It might therefore be that some of them are going to have to be milling also in May, that is, some of them; but not the whole country will still be involved in the harvest in May or during the first half of June--that will not be the case.

We have to stick to our intention of essentially completing the harvest by 30 April; exceptions will apply only to those sugar mills which had fallen behind, sugar mills which are in areas where it rains less in May than it rains perhaps in December--they are going to be milling in May.

But I believe that the response we are observing here is proof not only that we can do more or better things; this is also evidence of the state of mind of our workers and our people. Although it is true that we are going to face a period full of risks internationally and a big effort in our economy and services, the revolution has never been what it is today, it has never had the strength it has today (applause). Never! Never, never has the state of mind of our masses, of our workers, of our working people, of our young people, of our women been what it is today! That is indisputable. This spirit has been growing stronger throughout the year and during the congress we saw the high point--we might say--of that spirit, in other words, it reached its climax at the congress.

The congress has had a profound impact on our people (applause); more than we ourselves had figured on. The simple innumeration of the fruits of our people's work over those past 5 years, looking at them together, is impressive. And the successes in the services, above all in education, in public health, are likewise impressive. In public health, infant mortality was reduced from 27 down to 19 in just 5 years. This is a tremendous result. Well, it will be impossible to obtain greater successes. A reduction from 19 to 17 or 16 is more difficult.

The number of sixth-grade graduates will tend to decline because there are less boys of that age; they have moved on to other levels; but then we are going to have to start in terms of quality, how to improve the quality of that education, how to improve the quality of those medical services. It is impressive to realize that we already have one doctor for every 600 or so inhabitants and that in 5 years we will have one doctor for every 400 or so. These are really big successes.

But on top of all that we have the work of the mass organization, the progress we have made here; the rise in the cultural level; the victory, in the sixth grade, of the workers, of the housewives, of the peasants; the improvement in our people's political culture and the strengthening of its political awareness.

But the congress has an impact not only on our people; it had a much greater impact on the 150 organizations which are with us in this historic event. The congress thus assumes an internationalist character and nothing could be better during a time such as this one and under circumstances such as these. And so we made use of the presence of 150 organizations representing the most progressive, the most revolutionary, and the most democratic throughout the world in varying degrees. Before them we began to mobilize world public opinion, to warn of the risks to Cuba and the situation as a whole. We are pulling ahead of imperialism and we are going to keep moving ahead of imperialism (applause). I would say that our congress serves to alert the world and to raise the spirit of the revolutionary and progressive forces which were still somewhat discouraged by all of those risks, by all of those potential problems due to the complexity of the world situation and the triumph of the right wing in the United States. And we can see how this spirit was raised; our congress helped raise the spirit of all revolutionary and progressive forces all over the world.

Only by way of exception can we say that we have some organizations here that were not entirely satisfied with some positions but at any rate the congress does have an impact on them likewise and when they witnessed this incredible act in the Square of the Revolution, well, they could not help but experience profound respect for the Cuban revolution, for our party, for our people (applause and exclamations of : "Fidel, Fidel, Fidel!"). And deep down in the consciences of those dissenters, those very few dissenters, they had to admit that, behind our party, stands the entire people and that there is an insuperable link between the party and the masses and that the revolution has extraordinary strength. And this is true and it will turn into a source of material strength if they attack us. This was demonstrated in April and May with the maneuvers of those who were organized in Guantanamo; when they saw the people out in the streets, when they saw the masses pouring out, they arrived at the conclusion that they had failed in every way and they stopped their maneuvers; this was a battle which we won with the help of the masses.

I also believe that this strength, as observed by the visitors who were here, is beginning to become the front line trench in the defense of the revolution and the country against possible imperialist aggression. As they realize that they are going to run into a strong nation, that hard shell that can stick in their craw, there will be a decline in the possibility that they might embark upon an aggressive adventure against Cuba. In other words, in doing that, we are already defending ourselves. And I also believe that we have optimum conditions because the response of the masses to the idea of the territorial militia forces has been extraordinary in support of the task of strengthening the country militarily; the readiness to train, the readiness to contribute resources toward this end is also very great. And so we are going to train, we are building big trenches starting right now to slow the enemy down or to make him pay dearly, very dearly, for any aggression against our fatherland (applause).

We must keep up our guard, we must multiply our vigilance because aggression can come not only by force of arms or naval blockade but also through the introduction of diseases and plagues among our animals and our crops because those people have no scruples of any kind whatever; through sabotage of the economy; by starting all over again the history of assassination attempts aimed against leaders and all that sort of thing. It is very important for us to see where we are going and this is what we are going to find out. But right now we have no fear of whatever may come; we shall see what we shall see. As we said in the Central Report, they will have to assume responsibility for their acts. In connection with these counterrevolutionary activities, which are manifesting themselves, we have to adopt a very harsh line and we have to crush the slightest symptom of counter-revolution (prolonged applause).

Another result of the congress is that our links with the worldwide revolutionary and progressive movement have become very much closer. And here is something very valuable and very decisive: Our links with the USSR and with the socialist camp have become extraordinarily closer (applause). We know the impression which the delegations of the USSR and the socialist countries took back with them regarding our congress and it really could not be better. And they expressed that, they felt stimulated, because in Cuba they were able to see the strength of the ideas of Marxism-Leninism. When there are problems anywhere, Marxism-Leninism does not lack invincible strength and the principles of Marxism-Leninism have been applied correctiv.

We ourselves said that we have not been perfect revolutionaries, we have not been perfect in the application of those principles, but we can indeed say that we have been honest and that we have tried to be consistent. But that thing about Cuba right at the doorstep of the United States, a country that is so rich, so powerful, that for such a long time influenced Cuba and our people, the fact that there is a stumbling block such as Cuba today, that there is a rock such as Cuba today, can be understood only in the light of the principles of Marxism-Leninism. The role of the party, its links with the masses, the correct application of those principles, the absence of favoritism, correct action, consideration of merit, collective leadership, democratic centralism, honesty, conscience, discipline, plus the extraordinary social and human content of the revolutionary undertaking--those are the factors which have given this enormous strength to our revolution, and there is no mystery in that.

And we understand the socialist brother countries which are now so profoundly preoccupied with events elsewhere, although they do not say so, and we realize that they felt profoundly stimulated by what they were able to see in Cuba, here, just 90 miles from the United States.

So we face this new situation by starting a mobilization of worldwide public opinion, with close bonds with the revolutionary and progressive forces, which consider Cuba a bastion of the revolution, which consider Cuba a loyal and indomitable friend of the revolution and the worldwide revolutionary movement, which increased their sympathy for Cuba, their concern with Cuba, and their solidarity with Cuba; our relations have been growing stronger during this difficult moment which may come, more than ever before, in dealing with the socialist camp and the USSR. And this is very important because we are living in different continents, under different circumstances, and it is very encouraging that they understand our positions and that they support us (applause).

But we must strengthen ourselves not only through this trench which I talked about, and by creating the militia units and strengthening our defenses, we must also strengthen ourselves by perfecting our work, by improving our work in all areas, in economic activities, in the service, in the schools where the teachers must teach and work hard, in the hospitals where the doctors and nurses must work hard, on the bus where the driver must get up early to pick up the public on its way to work, in a restaurant, in a hotel, wherever a service is rendered, that is where we have an opportunity to strengthen the revolution by improving our work. In the field of the economy, we must do this by attaining our goal, milling down to the last planned piece of sugar cane, milling above the 85 [percent] figure, above the 90 [percent] figure when we can do so, optimizing the extraction of sugar everywhere, because that is where we are also going to be strengthening the defense of the revolution, because that is where we are going to become strongest in every respect, also by creating more resources. If we have to buy steel to make grenades because we have more millions of persons ready to fight than we have rifles, then this is where we are going to get the money; if we are going to have to buy uniforms, if we have to import some fabrics for militia uniforms, then this is where we are going to get the money; to get medications, to get some reserve stockpiles of some things in case of a blockade, etc., we will be strengthening ourselves by working well in the economy and we will be strengthening ourselves by working well in the services. We are going to raise the morale of the people and the confidence of the people in itself and in its capabilities.

In our judgment we have thus created optimum conditions as never before toward the accomplishment of this slogan: Production and defense.

On the other hand, we have a very great moral duty to respond to the reaction of the people, to the confidence of the people, to the joy of the people, to the happiness of the people, which was represented more than ever before in the Central Committee with the inclusion of workers, of women, of internationalist fighting men, of outstanding comrades in various fields. Now we have created conditions as never before under the revolution, at a moment when Cuba has greater responsibility than ever before with relation to the world and in a new situation which presents obvious risks.

I believe that we have a minimum, elementary moral duty and we must ask ourselves what more we can do, each of us, wherever we may be; we must pledge ourselves to redouble our efforts, to be more thorough, to be more responsible, to be more serious, more devoted, more self-sacrificing, more committed to our cause, our revolution, our people, more demanding, more exemplary in every way. We must pledge ourselves to this, not from a platform or in a speech, no; we must intimately draw these conclusions and pledge ourselves before our consciences (applause).

The period we now have ahead of us, a period of work, struggle, and trials, in reality is extraordinarily interesting. I believe that, since we are first of all revolutionaries, we do not feel unfortunate when we realize that we are facing a great effort, a great task, or a great challenge; instead we feel stimulated, we feel satisfied, because, in our lifetime, we have had an opportunity to prove ourselves, an opportunity to tackle new tasks, and an opportunity to overcome them.

Our people has achieved an extraordinarily high level in history, an extraordinarily high standing in terms of revolutionary conscience, quality, and conditions, which inspire confidence in us, which inspire security in us. We may--as we said in the report--be physically wiped off the face of the earth but the example of Cuba, we can say right now, will be immortal (applause). There is no way of forcing us to turn back, we will not bow, no matter what. And our cadres, our party cadres, our government cadres, we are sure that they will rise to the challenge and to the high level of our people (applause).

Fatherland or death! We shall win! (prolonged applause)

(Department of Stenographic Records)

5058
CSO: 3010

VICE FOREIGN MINISTER ON NONALIGNED CONFERENCE

FLO42213 Havana Domestic Service in Spanish 2120 GMT 4 Feb 81

[Text] The nonaligned countries foreign ministers' conference, which in fact has begun with the meeting of the coordinating bureau, has been affected by the recent attacks of South Africa against the Mozambican capital.

The aforementioned has been noted by Cuban Vice Foreign Minister Jose Ramon Viera in an interview he granted after the first session of the coordinating bureau meeting being held in the Indian capital.

The South African Government and the news media have admitted such attacks and have tried to give them international legality to such an extreme that the capitalist news media are explaining that the Pretoria regime is encouraged by the new U.S. administration. I believe this is a concern that will be in the minds of all the foreign ministers as soon as they begin their conference, Viera said.

The nonaligned movement will reaffirm its unity, particularly regarding the guideline contained in the decision at the Sixth Summit Conference where it was decided that Kampuchea's seat should remain vacant, and I believe it will continue as such at the New Delhi conference, he added.

Regarding Afghanistan, Cuban Vice Foreign Minister Jose Ramon Viera said the Foreign Minister Isidoro Malmierca has made great efforts to find a political solution to the situation in that country, and that the conference also will lean toward finding a solution that respects that country's sovereignty, which is as it should be.

Regarding the fratricidal wars that are occurring at this time between some non-aligned countries, the Cuban representative said the conference will try to find a political solution.

For Latin America, this conference has the importance of being the international forum where it can find solidarity in the face of the threats it is facing, Viera said.

The senior Cuban foreign ministry official also noted that it was decided at the Havana Summit that the 20th anniversary of the nonaligned countries movement be solemnly celebrated at the New Delhi conference.

The solemn conference will start Wednesday, 11 February, and it will be chaired by Prime Minister Indira Gandhi. A special message from Commander in Chief Fidel Castro, chairman of the nonaligned countries movement, also will be read. The foreign ministers conference is taking place during a special situation marked by the coming of a new U.S. administration whose electoral platform clearly was interventionist, aggressive and threatening for Latin American and Caribbean countries. The nonaligned countries foreign ministers conference will certainly take into account the struggle of these countries and the threats against them, Viera stressed.

CSO: 3010

HAVANA REPORTS ON NEW DELHI NONALIGNED CONFERENCE

PA052322 Havana International Service in Spanish 1600 GMT 5 Feb 81

[Report by Pedro Martinez Pires, special Radio Havana correspondent, from (Bijam Vavan), the Palace of Culture of New Delhi, India--presumably relayed by telephone; recorded]

[Text] The meeting of high-ranking officials and ambassadors of the nonaligned countries preceding the ministerial conference of the movement scheduled to open Monday in this same conference site entered its second day of work Thursday with the discussion of procedural matters that will regulate this important meeting in which some 90 countries are participating.

Several delegations interviewed by this correspondent expressed satisfaction over the Indian Government's efforts to organize this forum the best possible way and to achieve a broad consensus among the nonaligned countries regarding the chief political and economic topics on the agenda.

The second version of the final declaration of the ministerial conference was also well received. It was prepared by India after receiving many amendments from several delegations. It should be noted that the corrected draft now reflects the Latin American problems although some clarifications are still necessary.

The new document denounces the external pressures being exerted against the consolidation of the revolutions of Nicaragua and Grenada and the plans for intervention and meddling in El Salvador's internal affairs.

Although North American imperialism--the power which is exerting the pressures against the revolutionary governments of Nicaragua and Grenada and systematically intervening against the liberation movement in El Salvador--is not mentioned by name, the message of censure against the U.S. meddling is clear.

The new draft reasserts the Belizean people's right to attain full independence in 1981 with due respect for their territorial integrity and expresses full support for the right of the Puerto Rican people to determine their future political statute.

It is reported that the new version of the final declaration voices the hope that the United States will rigorously apply and respect the Panama Canal treaties and that the territory of the Malvinas Island occupied by Great Britain will be returned to Argentina.

In the case of Cuba, the document condemns the U.S. embargo on our country and supports the just demand of the Cuban people and government that the territory the United States is illegally occupying in Guantanamo be returned to Cuban sovereignty.

Latin American sources told this special correspondent that the document, which will come up for discussion by the political and economic commissions on Friday, also expresses the nonaligned countries' concern over the tensions existing in Central America and the Caribbean, which threaten peace and security in the area and the independence of some countries in the region.

Contacts and meetings continue for the time being among the delegation at the (Bijan Vavan) and the five hotels where the high-ranking officials and ambassadors of the nonaligned countries are staying, in a natural effort to make this conference a useful forum for the 95 member states of the movement, which have a wide range of political and economic interests in common and also a common foe.

CSO: 3010

BITTERMAN, KIDNAPPING FOCUSES ATTENTION ON ILV

PA090350 Havana International Service in Spanish 0000 GMT 9 Feb 81

[Commentary: "Our America"]

[Text] The kidnapping in Colombia of Chester Allen Bitterman, an important official of the Summer Institute of Linguistics [ILV], has again brought the attention of the Latin American and international communities to the subversive and colonialistic work that this institute carries out in many countries of this continent as well as in other regions.

Bitterman was kidnapped by 19 April Movement, M-19, guerrillas. The M-19 is an illegal Colombian organization that considers the presence of the ILV in Colombia as an insult to the local Indian community and to the sovereignty of the nation, and also as a means for the imperialist transnationals to institutionalize the plundering of Colombia's natural resources.

The M-19 has stated that for Bitterman to be released, it is demanding from the Colombian and U.S. Governments that the 4,000 members of the ILV who are in Colombia carrying out imperialist actions under the guise of self-styled scientific and supposedly religious work, leave the country before 19 February.

The M-19 has stated that getting the ILV out of Colombia means giving support to the Indians of the country and of other nations who struggle to keep their lands, their traditions and their culture. But it will also be a military victory because with such a departure, the United States would be deprived of the logistical support that this organization provides for the rocket base that the Pentagon maintains in the Macarena mountain range. The United States would also have to take away the CIA and U.S. army agents who operated from within the ILV.

Colombian Bishop Gregorio (Galabito), of the Villavicencio diocese, charged recently that the ILV illegally takes emeralds and uranium from Colombia, collects samples of other strategic minerals, has provoked the extinction of animal species, and every day has more connections with the drug traffic. This bishop knows well what the ILV does because it is in his department where the operations center of the U.S. organization is located.

The ILV has very modern communication equipment, planes, landing fields, laboratories and other means of espionage.

Colombian scientists have charged that the missionaries of the ILV carry out work that has nothing to do with linguistics, and as an example the scientists have noted the industrial espionage the ILV carries out for U.S. monopolies.

Colombian deputies have noted that for the purpose of carrying out espionage work, the ILV uses U.S. air force pilots who participated in the Imperialist aggression on Vietnam.

And this does not happen in Colombia only. The ILV also operates in Guatemala, El Salvador, Bolivia, Venezuela, Brazil, Paraguay, the Netherlands Antilles, the Dominican Republic, Suriname and other countries of the region. There, the ILV and other U.S. organizations dedicate themselves to imposing alienating cultures and foreign religions on our Indians, to sterilizing women, to using the people for drug trafficking and to separating them from their work. They carry out much work that has nothing to do with evangelical, linguistic or scientific endeavors.

They engage in archeological sacking. They use the Indians as guinea pigs to test new medicines put out by pharmaceutical transnationals.

Anthropologists, ethnologists and all the persons who work for the well-being of the Indians in the Caribbean and Latin America, who have the support also of the progressive forces of the area, insist on the need for giving protection to our aboriginal population from the imperialist effort of the ILV. And to do this, we have to start by demanding that the ILV's alleged scientists and phoney missionaries go home.

CSO: 3010

BRIEFS

'SLANDER' AS INTERVENTION EXCUSE--In a further effort to justify its military-terrorist intervention in El Salvador, the U.S. State Department on Wednesday again seized on the worn-out theme of Cuba's alleged delivery of arms to the Salvadoran guerrillas, this time through Nicaragua. Last month, a presumed guerrilla landing in El Salvador was used by then yankee ambassador to El Salvador Robert White as a pretext for stepped up deliveries of U.S. arms, soldiers and advisers in support of the genocidal military junta which has murdered 15,000 Salvadorans in 15 months. According to diplomatic sources in Washington the propagandistic reports circulated by the U.S. State Department are also an attempt to justify possible aggressions in the making against Cuba and Nicaragua, countries that shook off U.S. oppression after ousting bloody tyrannies which enjoyed full yankee support in exchange for super privileges for their transnational companies. The Reagan administration's new anti-Cuban and anti-Nicaraguan slander coincides with the quick arrival of hundreds of military advisers and thousands of tons of U.S. arms and mass extermination equipment in view of the junta's impotence in crushing the people's insurrection, which this week has dealt the murderers heavy blows. [Text] [FLO51130 Havana Domestic Service in Spanish 1100 GMT 5 Feb 81]

ENVOY DENOUNCES 'AGGRESSIVE' POLICY--Raul Roa Kouri, Cuba's permanent ambassador to the United Nations, has denounced in New Delhi the primacy-seeking, aggressive and irrational nature of the new U.S. administration's most recent statements. Roa Kouri spoke at the plenary session devoted to the exchange of views on the draft of the nonaligned foreign ministers conference's final declaration. The conference begins Monday in the Indian capital. The Cuban representative, who is chairman of the nonaligned movement's coordinating bureau, thanked India for the initial draft and the new revised version which incorporated the views of several other member countries. Roa Kouri then recalled that the nonaligned movement's sixth summit warned about the serious dangers for humanity implied in a new escalation of belligerence by the United States. The Cuban ambassador added that there had been a return to the so-called cold war in recent years with the increase of the arms race, blockades and dilatory tactics against nations fighting for their national liberation. He said that, moreover, there had been an increase in the imperialist military presence in several areas of the world, basically in the Indian Ocean, the Persian Gulf, the Middle East and Central America and the Caribbean. Roa Kouri said that the movement must face these challenges and coordinate all efforts in defense of world peace and the relaxation of international tension. Concluding, Roa Kouri expressed his agreement with the Indian representatives that the nonaligned deliberations must be guided by a global view of international issues. [Text] [FLO61552 Havana Domestic Service in Spanish 1514 GMT 6 Feb 81]

NORWEGIAN AMBASSADOR RECEIVED--Carlos Rafael Rodriguez, vice president of the Council of State, has received in solemn audience his excellency Jan Arvesen who presented the credentials accrediting him as ambassador extraordinary and plenipotentiary of the Kingdom of Norway. Foreign Minister Ad Interim Rene Anillo Capote and Mr (Nils Ake Waxey), consul of Norway in Cuba were present at the ceremony. At the conclusion of the ceremony the ambassador and his entourage went to the Plaza de La Revolucion where they laid a floral wreath at the foot of the Jose Marti Monument. [Text] [FL121521 Havana Domestic Service in Spanish 1500 GMT 12 Feb 81]

SOVIET BOOK AGREEMENT--Armando Hart, member of the Politburo and minister of culture, has met with the Soviet delegation visiting Cuba for the eighth meeting of the Cuba-USSR work group in the area of books. The protocol of cooperation was signed by Rafael Almeida, first vice minister of culture, and Vasily Yezhkov, chief editor at the state committee for publishing houses, printing plants and the book trade, who is heading the Soviet delegation. [FL16138 Havana Domestic Service in Spanish 2230 GMT 30 Jan 81]

NICARAGUAN COMMANDER--The members of the (Ivan Dixon) cultural brigade from Nicaragua's Atlantic coast recently visited the Isle of Youth. A ceremony was held at the Amistad Cuba-Nicaragua School during which guerrilla commander (Lumberto Campbell), vice minister for the Atlantic coast, addressed some 1,000 Nicaraguan students whom he described as the future of the Nicaraguan revolution. He also urged them to work to become better and more disciplined students so that they could safeguard the irreversible Nicaraguan revolution. [FL161249 Havana Domestic Television Service in Spanish 0100 GMT 31 Jan 81]

HELP FOR CONDEMNED AFRICANS--The Organization of Solidarity with the Peoples of Africa, Asia and Latin America, OSPAAAL [AALAPSO], issued a communique in Havana Monday calling on all revolutionary, progressive and democratic forces to help save the lives of three leaders of South Africa's African National Congress. The three, (Johnson Lubisi), (Petrus Machingo) and (Naftali Ntshane), have been sentenced to death for high treason. [Text] [FLO41393 Havana Voice of Cuba in English to North America and the Caribbean 0500 GMT 4 Feb 81]

CASA DE LAS AMERICAS MEETING--Armando Hart, member of the PCT Politburo and minister of culture, and Nicolas Guillen, member of the PCC Central Committee and president of the National Union of Cuban Writers and Artists, this morning presided at the opening ceremony of the 1981 meeting of Latin American and Caribbean writers. Among those participating in the meeting is Nicaragua's Culture Minister Ernesto Cardenal, who began his speech by praising Comrade Haydee Santamaria, calling her a heroine of the clandestine struggle, of the Sierra [Maestra mountain range] and of the Casa de Las Americas. Elsewhere in his speech, he referred to the imperialist threats against Central American and Caribbean nations and reiterated that in Nicaragua all the people now are on a war footing and with their rifles ready to defend their revolution. During the opening ceremony, Gabriel Garcia Marquez from Colombia read an appeal for the sovereign and democratic rights of the Latin American peoples. The document calls for solidarity with the peoples under attack and/or threatened by imperialism. So far, more than 500 writers, intellectuals and artists have expressed their support for the appeal. The meeting is scheduled to end tomorrow. [Text] [FLO41939 Havana Domestic Television Service in Spanish 1800 GMT 4 Feb 81]

FOOD POLICIES MEETING--Foodstuffs have become a powerful political weapon which the capitalist developed countries use to check the progress of underdeveloped nations. Cuban Vice Minister of Agriculture Julio Balmaseda has affirmed in Mexico City. The Cuban official added that the foodstuffs-producing transnational enterprises are an obstacle for developing countries. Likewise, Balmaseda stated that some countries use foodstuffs as criminal blackmail to impose their decisions to the detriment of the so-called Third World nations which need them. The Cuban official spoke at a Latin American and Caribbean meeting on national food policies and strategies being held in Mexico City. [Text] [FL111327 Havana Domestic Service in Spanish 1030 GMT 11 Feb 81]

CEMENT PRODUCTION INCREASE--Cuba produced over 3 million metric tons of cement in 1980, placing it in first place in Latin America with an average of 320 kg per capita, and representing five times the cement production in Cuba in 1958, the last year prior to the revolutionary victory. In 1959, there was not a single piece of equipment suitable for this type of activity. Today, there are six cement refineries and Cuba occupies the fifth place as general cement producer for Latin America and first in the per capita production. [PA091234 Havana International Service in Spanish 0000 GMT 27 Jan 81]

RISQUET, SALT WORKERS--Politburo member Jorge Risquet has made the closing remarks at a ceremony in Marti, Matanzas, to kick off the national emulation for salt enterprises. The party leader recalled that the country had to import salt last year and for this reason Commander in Chief Fidel Castro had proposed stepping up research not only to make the country self-sufficient in salt but also to make it an exporter. [FL051216 Havana Domestic Service in Spanish 1030 GMT 5 Feb 81]

MILITARY ATTACHES' VISIT--Miguel Cano Blanco, alternate member of the Politburo and first party secretary in Holguin Province, was at Holguin's Frank Pais airport to see off a delegation of military attaches accredited to Cuba. During their tour of the province, the military attaches visited several factories and the house where Commander in Chief Fidel Castro was born. [FL051216 Havana Domestic Service in Spanish 1030 GMT 5 Feb 81]

PUBLISHING AGREEMENT--A protocol of cooperation between the Krakowa Publishing House of the Polish People's Republic and the Arts and Literature Publishing House of Cuba has been signed at the Ministry of Culture in Havana. The document was signed by Andrzej Kurz and Abel Prieto, editors-in-chief of the Polish and Cuban publishing houses, respectively. They said the agreement will make it easier to learn about both countries' literature. The protocol, in effect until 1983, provides for the exchange of books and experts, cooperation in the areas of information and the publication of Cuban works in Polish and Polish works in Spanish. Polish ambassador to Cuba Ryszard Majchrzak hosted a reception for Cuban cultural representatives on this occasion. [Text] [FL051731 Havana Domestic Service in Spanish 1338 GMT 5 Feb 81]

ANGOLAN ANNIVERSARY--In celebration of the 20th anniversary of Angola's armed struggle, the Angolan ambassador to Cuba, Awaete Joao Baptista, last night hosted a reception here in Havana. Communist Party of Cuba Politburo member Jorge Risquet, alternate Politburo member Jesus Montane, and Central Committee member Jose R.

Fernandez, vice president of the Council of Ministers, attended the ceremony.
[Text] [FL051737 Havana Domestic Service in Spanish 1700 GMT 5 Feb 81]

MACHADO VENTURA AT COOPERATIVE--PCC Central Committee Politburo member Jose Ramon Machado Ventura has chaired a meeting held at Cardenas' Roberto Fernandez Cooperative to examine accomplishments. Machado Ventura made the closing remarks at the annual meeting of the cooperative, whose Vice President Ubaldo Mirabal Ferrer read the main report which notes the distribution of 50,000 pesos among its 55 members, among other matters. The members of the cooperative have set as goals for this year achieving a 40-caballeria growth, increasing yields in cane production and donating the funds obtained from the production of half of a hectare planted with pineapple to the territorial militias. In his closing remarks Machado Ventura stated that the movement of livestock-agricultural production cooperatives is no longer an idea or a wish but a reality. [Text] [FL051840 Havana Domestic Service in Spanish 1700 GMT 5 Feb 81]

FLAG FOR CANECUTTERS--Jose Ramirez Cruz, alternate member of the PCC Politburo and president of the National Association of Small Farmers, has presented to the Augusto Olivares Brigade the flag accrediting it as having cut two million arrobas of cane in the current sugar harvest. Miguel Alein and Eusebio Sainza, the first canecutters of the brigade, accepted the flag during a ceremony held at the (Montebello) Canecutters' Camp in Jovellanos, Matanzas Province, where the brigade is lodged. This brigade is the first one in the country to cut one million arrobas of cane. During the ceremony Adolfo Garcia, the brigade's chief, announced that the brigade members were donating 381 pesos to the territorial militia. Jose Ramirez Cruz congratulated the brigade members and urged them to fulfill the cutting norm set for the current harvest. [FL051840 Matanzas Domestic Service in Spanish 1700 GMT 5 Feb 81]

MANICARAGUA CULTURE MEETING--Armando Hays, member of the PCC Politburo and minister of Culture, has expressed confidence in the success in all endeavors of the members of the Hermanos Saiz Brigade and in the group's contribution to the activities of the people's cultural movement. In his closing remarks at the annual meeting of the National Cultural Council at Macagua in Manicaragua, Villa Clara Province, the culture minister urged the participants to support all mass cultural activities and referred to the 10 basic cultural installations required by each municipality, calling them a minimum module. [Text] [FL071415 Havana Domestic Service in Spanish 1100 GMT 7 Feb 81]

SUGAR HARVEST MEETING--The fundamental importance of maintaining high levels of grinding at all mills during the current phase of the sugar harvest was noted in a meeting held to examine the progress of the harvest. The meeting was chaired by Roberto Veiga, alternate member of the PCC Politburo and secretary general of the Central Organization of Cuban Trade Unions, and Biocles Torralba, member of the PCC Central Committee and minister of the sugar industry. The Sugar Industry Ministry harvest literature's report points out the strict fulfillment of maintenance programs on sugar mills and agricultural equipment during this phase of the harvest. Calling it the most important priority task. During the meeting the participants examined the solutions given to problems dealing with work organization and wages, which had been brought up in January by members of the Sugar Industry Workers Union and officials of the Sugar Ministry. Another subject discussed in the meeting was worker-related matters such as delivery of clothing and tools as well as adequate meals in the camps. [Text] [FO071500 Havana Domestic Service in Spanish 1100 GMT 7 Feb 81]

CSO: 1010

PAPER SAYS REAGAN RAISES HOPES FOR LATIN AMERICA

PA281710 Guatemala City EL IMPARCIAL in Spanish 21 Jan 81 p 2

[Editorial: "Fears and Hopes Risen by Reagan"]

[Excerpt] One could drown in the wave of comments resulting from the change of power in the United States, from the act of Ronald Reagan assuming power and Jimmy Carter leaving, not to mention the people's various opinions regarding Western democracy and Soviet totalitarianism and its socialist bloc.

Central American sectors have been hopeful regarding the change of government in the United States. These sectors felt that Carter's policy was not the best, because it ignored and even condoned the penetration of groups charged with implementing USSR expansionist policy by promoting subversion and encouraging and supporting the guerrillas.

President Reagan had already asked: Should El Salvador and Nicaragua be allowed to become other Cubas and bridgeheads for Soviet combat units. Now that he has assumed power, he has discovered that the governments in the northern sector of Central America and many political sectors in the region are happy to see Carter leave and welcome his administration with a sigh of relief. On the other hand, the radical left in Central America feels that it has lost the unconscious help, or should we say tolerance, that the Carter Administration was giving it.

For this reason it has been said that Latin America possesses some fears but also many hopes that U.S. policy will change its course. If this is so, we are of the opinion that solidarity must be reactivated and cooperation increased, because these are the pillars of the inter-American system, which not only guarantees equal sovereignty but establishes reciprocal aid and defense in case of aggression or foreign intervention. It is time for OAS members to make up and start doing something on behalf of the continent's interests.

LSO: 3010

TEXT OF BURNHAM'S NEW YEAR'S ADDRESS TO NATION

Georgetown GUYANA CHRONICLE in English 1 Jan 81 pp 1, 6

[Excerpt] The full text of the President's address:

Happy New Year! What are you doing? Sitting with friends? Relaxing and reminiscing? Dancing? Shake hands with the nearest person to you, or exchange kisses, if it is permissible. Aye, we have survived. The lights are holding, let us take a sip to those hard working and hard pressed Electricity Employees at all levels. They made it possible for the New Year to break in light and not in darkness.

Let us hope that 1981 will be, metaphorically speaking, a year of light out of darkness. But you know, it is not enough to hope, we have got to plan, implement our plan, and work, work and work. When today's festivities in the tradition of Guyana, are all over, the world and its stark realities remain, the realities which we have to

overcome and which no agency, external to us, human or divine, can modify or change.

We have just had three months of fervid political campaigning. The people have spoken in their thousands and hundreds of thousands. We did not speak so that the victors

may gloat over their triumph and the vanquished spend their time licking their wounds, while they bitterly invent tales.

We spoke in the hope that the new regime ushered in under the People's New Constitution would tackle our

country's economic and social problems with vigour and wisdom, and remould the scheme of things closer to our heart's desire.

The tumult is over, the political battle is at an end. We must, all of us, devote the energy which we displayed recently at the hustings, in the

streets, and in the alleyways, to righting and streamlining our economy.

1980, though in many respects better than the previous year, can hardly, except for a few salutary exceptions, have been described as a year of boundless suc-

cesses. Sugar was 13% down on its target, rice 20% and bananae 20%. We can find the explanations. We can make the excuses. We can refer to the continued rise in oil prices.

We can talk about rampant inflation and shortages of spare parts. We can remark that other countries, even the developed ones like the United States of America, United Kingdom and the USSR have had their share of recession, inflation, poor crops, and galloping unemployment. Those are facts. But what measure of solace do they bring to us, to our people? How many stomachs do they fill? How many homes do they build?

It is good to be able to identify the reasons and explanations. But it is necessary

and indicative of maturity to be self-critical and to find answers that will avoid failures. For instance, it always rains in Guyana and therefore, unless the rains are both unseasonal and abnormal in 'volume' they cannot be blamed for failure to achieve a given target. Planning must take into account all the circumstances and factors which experience has taught us.

In human affairs nothing fundamental just happens or is a matter of mere chance. We must take hold of our resources, human and natural, and by the studied application of the former to the latter, seek to bring about the results and changes which we have predetermined, and which in turn are dictated by our ideology and philosophy — in this case, socialism.

In the first place let us understand that the issues of development, political, social, and economic, have got to be settled in Guyana by Guyanese within the context of the institutions we have accepted and/or set up. Appeals to agencies and persons beyond our borders are fruitless and dangerous.

They raise false hopes and are but the expressions of colonial minds. Do we want others, whether on invitation or not, to find solutions for us? History is replete with examples of cases in which those who have come to help, have stayed to rule. As an independent people, we can have no Mecca or Rome outside of Guyana.

The New Constitution, under which the credible political parties contested the elections,

provides a number of structures and arrangements within the framework of which we can and ought to be able to find Guyanese solutions.

For instance, as one correspondent in the printed media pointed out recently, it is not without significance that there is no longer a Leader of the Opposition, but a Minority Leader. This in itself suggests the consensual rather than the adversary approach. The active participation in real government, by the people, through the Local Democratic Organs and socio-economic agencies like the trade union and Co-operative, represents the new and indigenous approach.

As leader of the party to which the electorate gave an overwhelming mandate, and as

President of the Co-operative Republic of Guyana, I hold out the olive branch to all true Guyanese for us to work together and to dedicate ourselves and our energies towards the achievement of a just society. The times are most difficult, but the challenges are exciting.

We have seen in other parts of the world confrontation leaving behind a trail of war where none win but all lose. We have just celebrated the Feast of Christmas, national in its observance by believers and non-believers, a season of goodwill. I pray you let us carry that goodwill into 1981.

The times, as I said, indeed are difficult. But as I have had good reason to observe on more than one occasion, our resources and potential, if carefully and wisely exploited and deployed, will put us in a position where we can deal with the rest of the world from a position of strength — as equals rather than as beggars. The world needs food, as we have been reminded by the Food and Agricultural Organisation. Our soil and waters can yield food in abundance. Many a

country has commenced negotiations on the proper utilisation of land, its forests and waters.

The world clamours for the minerals which lie in the bowels of our earth. We know that we should find oil this year, but even without oil in today's context we have no need to be poor.

But you know there are examples in the lives of people and in those of nations of valuable resources that are not applied with care and purpose or are littered away as a result of poor management, leaving the owners no better off, if not worse than before.

You will have noticed that I referred to the careful and wise exploitation and deployment of Guyanese resources as a prerequisite to development and prosperity.

Against this background, an important and serious duty lies on the shoulders of those of us who are employed in or serve in the Public Corporations. These corporations are at the moment responsible for approximately 50 per cent of the national economy.

Both management and non-management workers must appreciate that they are

trustees of the nation's property, and as such they are accountable and must at all times perform with a high sense of responsibility.

Not only are peculation and corruption anathema but also deliberate and neglected waste. Further, each corporation in pursuance and fulfilment of its trust should have clear in mind the social, economic and commercial objectives to be achieved and achieved.

A corporation cannot be run or managed in vacuum and the lines set in past times by former capitalist owners.

Every corporation manager has as his duty to understand fully the objectives of the people as articulated by the government and in turn to communicate and to pursue with his colleagues at the lower levels those objectives.

Otherwise there is a failure and a mist. This is not a new concept for it was just in 1968 that informed the day and activities of some of the labour managers that were and are the appropriate AUCAN BODIES. Democracy — CUM PRO-SPERITY OR WHAT?

It is my hope that there will be no need for reminders during 1981 or thereafter.

The saying cannot promise you the proverbial "red hot chili" and even if I could, may I remind you that for every rose there is a thorn. Your government is pledged to the service of the people not as a distant and beneficent autocrat but as a partner.

We the people ourselves are also responsible for our country's progress and for the economic breakthrough. We, in the final analysis, are part of the Government. Without us there can be no nation, so state. We cannot therefore be passive spectators and observers nor can we be nit-picking critics merely. We must be involved, all of us, especially through the mechanisms which the People's New Constitution has provided.

Together we can all succeed. Together we can all fail. Together we shall stand at the bar of posterity to receive the verdict, to be judged by eventful history.

Nineteen eighty-one can be happy only if we make it so, we Guyanese.

HAPPY NEW YEAR!

TWENTY-SIX NEW FACES IN 53-MEMBER NATIONAL ASSEMBLY

Georgetown GUYANA CHRONICLE in English 29 Dec 80 p 1

[Text]

TWENTY-SIX new faces will appear in the elected 53-seat Assembly when Parliament meets early next year.

Following an announcement of the elected members of Parliament by Chairman of Elections Commission, Harold Boilers, yesterday the People's National Congress named the 26 new faces in its list of Members of Parliament.

Neither the People's Progressive Party nor the United Force has any new faces in the parliamentary line-up.

Notable absentees from the PNC Parliamentary list include Regional Ministers Kenneth Bancroft, Philip Duncan, and Carmichael, Ralph Vanslytman, Minister of State Jeffrey Thomas, Parliamentary Secretaries Edith Binoe, Conrad Wright and J. S. Ramson and former Information Minister Shirley Field-Ridley.

Cde Boilers made the announcement of the Members of Parliament from the balcony of the General

Post Office amidst cheers from a crowd of nominated candidates at the recently concluded national and regional elections.

The PNC list also includes a number of young persons (three of whom are below the age of 30). They are Eugene Gilbert, National Chairman of the Y.S.M. Donald Ainsworth a former President of the University of Guyana Student Society and Bissoondal Beni Prasad.

Cde. Gilbert who was present yesterday to hear the announcement by the Chairman of the Elections Commission said that to be elected to the National Assembly was a great challenge not only to him but also to the vast majority of young people throughout the Guyanese society.

He said that he was very keen in taking up the challenge offered by President Forbes Burnham. "The young people," he said, "formed the majority of the population and it was their right to face up to the challenge."

The youths, he said, were also committed to the struggle of building a socialist society.

Cde. Gilbert added, "I feel very proud and I am ready and prepared with the inspiration and guidance of all Guyanese to undertake the responsibilities that have been given to me."

In addition to the 53 elected members of the National Assembly 10 members will be elected from the Regional Democratic Councils and two will be elected from the National Congress of Local Democratic Organs.

The People's National Congress gained 169 seats in the Regional elections, the People's Progressive Party 35, and the United Force one.

The Constitution provides for the appointment of technocrats and it is not unlikely that some of those omitted from the National would be so appointed.

PNC's Forty-one

AINSWORTH, Donald A.	Ed. & Training Officer.
ALLY, Mohamed	Rice Farmer.
ARMOGAN, Milton	Poundkeeper.
BEND-KIRTON, Agnes	Trade Unionist.
BENIPRASHAD, Bissoondal	Community Worker.
BHAGGAN, Bando	Co-op Officer.
CALDERIA, Joseph B.	Farmer.

CHANDSINGH, Ranji	Politician.
CHEN, Allan A.	Business Manager.
CHOWRITMOOTO, Joshua	Teacher.
CLARKE, Oscar E.	Technician.
CORBIN, Robert H. O.	Social Worker.
CORRUCA, Malcolm	Calypsonian.

DAVIDSON, Elaine B.	Housewife.
DOOBAY, Harry	Sugar Worker.
FELIX, Abel Benamin	Engineer.
FOWLER, Eugene H. A	Water Front Worker.
FREDERICKS, Patricia	Teacher.
FREDERICKS, Roy	Sports Organizer.
GILBERT, Eugene F.	Youth Leader.
GILL, Joyce	Market Vendor.
GREEN, Hamilton	Politician.
HOYTE, Hugh D	Attorney-at-Law.
JOHNSON, Urm	Community Worker (Women).
MITLAND-SINGH, Jean N.	Teacher.
MURAE, Albert	Banking Worker.
MUNROE, Joyce M.	Teacher.

NARAIN, Shiv S.	Engineer.
PRASHAD, Seeram	Transport Technician.
PRIMO, Ryburn N.	Carpenter.
RAMSAROOP, Bishwaiswar	Attorney-at-Law.
RAYMAN, Philomena A.	Housewife.
REID, Ptolemy A.	Vet. Doctor.
SALLAHUDDIN	Teacher.
SHARMA, Chintaman G.	Hindu Priest.
SINGH, Harold L. B.	Community Worker.
SUKHU, Sydney H.	Social Worker.
TWARI, Bidiswattie	Accounts Clerk
VANDEBURG, Calvin	Teacher.
WALCOTT, Huldah B.	Community Worker.
WILLIAMS, Robert E.	Social Worker.

PPP's Ten

COLLYMORE, Clinton	Journalist.
MOHAMED, Sheikh Feroze	Secretary.
BASIR, Isahak	Supervisor.
BELGRAVE, Cyril	Dockworker.
DALCHAND,	Businessman.

JAGAN, Cheddi	Dentist.
KARRAN, Ram	Trade Unionist.
JAGAN, Janet	Journalist.
PERSAUD, Reepu Daman	Social Worker.
PERSAUD, Narbada	Businessman.

UF's Two

ABRAHAM, Michael Anthony	Head Teacher.
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SINGH, Marcellus Feilden	Attorney-at-Law.
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CSO: 3025

REPRESENTATIVES TO REGIONAL DEMOCRATIC COUNCILS LISTED

Georgetown GUYANA CHRONICLE in English 29 Dec 80 pp 8-9

[Text]

PEOPLE from all walks of life . . . including businessmen, farmers, teachers and lawyers are among the representatives on the 10 Regional Democratic Councils.

The official results, declared again yesterday by the Chairman of the Elections Commission Harold Bollers showed that 169 seats were won by the People's National Congress which contested all the the Regions. 35 seats were won by the People's

Progressive Party and the United Force won one seat.

The names of those who will take up their seats on the respective Regional Councils were disclosed yesterday and the announcements were applauded by the crowd which had gathered outside the General Post Office building.

The full list reads:

PNC

A [Region No. 1]

BARNES, Arnold, Carpenter.
BENNETT, Clifton, Bulldozer Operator.
BUTLER, Rhoda, Teacher.
DAVID, Lloyd, Technician II.
FRANK, Inez, Head Teacher (ag.).
HUSTON, Irene, Typist Clerk.
JAMES, Richard T. GAC Agent.
JEFFREY Shirley, Community Worker.
JONES, Kenneth, Community Worker.
LOWE, Joseph, Farmer Captain.
RODRIGUES, John, Community Worker.
SHERIFF, Adolphus, Farmer.
WARD, Barrington, Clerical Worker.
WILLIAMS, Mary, Community Worker.

Region No. 2

ALLEN, Ivor, Government Contractor.
ALLEN, Muriel, Housewife.
BUKSH, Sheikh W., aka Nurudabur Sheikh, Farmer.
DUNCAN, Doreen, Teacher.
HARROP, Joseph A. Businessman.
HOPKINSON, Kenneth A. Farmer.
JAIRAM, Khelanand V. Lawyer.
MAHIPAL, Farmer.
PERSAUD, Rupert C. Teacher.
REID, Victor E. Teacher.
SANDY, Mabel C., Housewife.
SMITH, Edward, Breeder.
WILLIAMS, Mary S. Farmer.

Region No. 3

ABRAHAMS, Enid, Retired Teacher.
BACCHUS, Mohamed, Manager KSL.
BUDHU, Raimoon, Retired Storekeeper.
BURY, Ulin O. District Co-ordinator.
DAVIS, Megan, Typist Clerk.
ENGLISH, Francis, Farmer.
FLOY, Paul Brentnol Industrial Co-ordinator.

HUSSAIN, MOHAMMED S, Police Corporal.
LAWRENCE, Egon Shift Processing Supv.
PARKS, Wisland Industrial Co-ordinator.
RAMHARAK, Boodnarrair, Rice Farmer.
RAMSAMOOJ, Hemraj Farmer.
RAYMAN, Fazeel A. Supplies Officer.
SATTAR, Abdul, Transport Foreman.
SCOTLAND, Michael Cashier.
SINGH, Cora A. Teacher.
THOMAS, Doreen, Field Officer.
TIWARI, Ganga P. Contractor.
VIEIRA, Anthony J. Admin. Manager.

Region No 4

ALEXANDER, Fredrick, Co-ordinator.
ANDERSON, Lynette, Teacher.
BACCHUS, Joseph, Co-ordinator.
BIPAT, Walter, Chief Investigator.
BISHOP, RUDY, Sports Culture Officer.
CARTER, Cecilia, Housewife.
DOOBAY, Chandranarine, Grocer-Farmer.
FARNUM, Esther, Co-ordinator.
GILL, Dennis, Mechanic.
GORDON, William, Secretary Manager.
HAREWOOD, Margarita, Snr. Library Asst.
IMHOFF, Cecilia Teacher.
LAWRENCE, Caroline, Craft Production Worker.
MATADIN, Bibi, Housewife.
MAYERS, Neil Regional Supervisor.
McDONALD, David, Carpenter.
PHILLIPS-GAY, Jane, Social Worker.
PHILLIPS, Herman, Co-ordinator.
PROFTTT, George C. Health Insp.
RAMAWAD, Rupert N. Supervisor.
REMINGTON, Ivan Refrigeration Tech.
SUMNER, John, Student.
THOMAS, George, Farmer.
THOMPSON, Claudia V. Charwoman.
WELSHMAN, Verna, N. Accounts Clerk.
WILLIAMS, Herman Farmer.

WILLIAMS, Lincoln J. Bakery Proprietor.
WILLS, Nella, Cleaner.

Region No. 5

ADAMS, Arnold, L. Security Guard.
ALLY, Barkat, Supt. of Works.
DUTCHIN, Vivien, Cleaner.
GRANT, Alpin, Co-ordinator.
GRENVILLE, Sydney, Bond Clerk.
JAMES, Elbert O. Farmer.
JHUMAN, Abdou, Farmer.
JOSEPH, Iwaru, Field Officer.
KHAN, Nabbie, Farmer.
LATCHMINARAYAN, Bagmahee, Farmer.
LONDON, Howard, Farmer.
ROLLINS, Marjorie, Co-ordinator.
WADE, Selwyn, Stores, Foreman.

Region No. 6

ADAMS, Carlson E., Social Worker.
ALLY, Inchon, Farmer.
CAREW, Jane M. aka NEDD Social Worker.
CHOWRITMOOTOO, Isaac, Admin. Asst.
FORDE, Ruby, Social Worker.
GEORGE, Samuel, Sales Officer.
HANIFF, Joseph Maurice, Attorney-at-Law.
JAIPRASHAD, Harnauth.
LALOO, Ghandi, Teacher.
CHANDRADAT a k MATTAL, Supervisor.
McGOWAN, Hulbert, Teacher.
MORGAN, Evelyn, Seamstress.
ROSE, Harry, Rutherford, Auditor.
SAMUELS, Winston, Social Worker.
SANKAT, Ralph, Insurance Agent.
SCOTT, Joseph N. Power House Operator.
SHEONARAIN, Jainauth, Grading Officer.
SINGH, Surujnarine, Teacher.
SOOKNANAN, Dhanraj, Labourer.
VANSERTIMA, Victor, Businessman.

Region No. 7

ALFRED, Robert, Miner.
ANSELMO, Lawrence, Teacher.
CAESAR, Gibson, Agri. Field Assistant.
CHARLES, Neille, Birth Attendant.
CHIN, Gnewling, Businessman.
CHISHOLM, Frederick, Nurseryman III.
DUTCHIN, Sandra, Typist Clerk.
FERGUSON, Lionel R. Trader.
HARRY, Gervy C., Teacher.
HUNTER, Rita, Birth Attendant.
KRAMMER, Abel, Co-ordinator.
LUCAS, Osmond, Regional Supervisor.
SHURLAND, Horace, Co-ordinator.
WILLIAMS, Stanley, Shopkeeper.

Region 1

MOONSAMY, Matthew, Barima River, North West District.

Region 2

RAMPERTOP Better Success, Essequibo.
ALLI, Showkat, Aurora, Essequibo.
PERSAUD, Narine, New Road, Essequibo.
CHASE, Warren, Grant Atlas, Lower Pomeroon.

Region 3

SUKHAL, Paring, 79 De Willem West Coast, Demerara.
KOMALCHAND, La Grange, West Bank Demerara.

Region No. 8

ABRAHAM, Dhanee, Nil.
ALGUSTUS, William P. Farmer.
CORNETTE, Clinton, Supervisor.
FRANCES, Cyril H. Social Worker.
JEROME, Ambrose, Farmer.
JOE, Gordon, Toochoau.
JONAS, Randolph, Toochoau.
MARCO, James, Toochoau.
MARC, Catherine, Farmer.
MARTIN, Hanott, Farmer.
ROBIN, George, Pastor.
SCIPIO, Michael, Farmer.
WILLIAMS, Ian, G. Executive Officer.
WILLIAMS, Laudina Housewife.
WILLIE, Angie, Toochoau.

Region No. 9

ALLICOCK, Robert F. Farmer.
BUCKLEY, Henry, Farmer.
D'AGUIAR, Harold, Public Servant.
DORRICK, Abel, Village Captain.
EDWARDS, Silvestro, Village Captain.
GRIFFITH, Roland, Teacher.
HAMILTON, Thomas, O. Businessman.
IGNACIO, Basil, None.
LAURINDO, Rana, Laundress.
LORENTINO, Nerso, Toochoau.
McDONALD, Andrew, Farmer.
NASH, Adam, R. Teacher.
O'CONNELL, Stanley, Village Captain.
RAMDHANI, Louise, Community Health Worker.
SAM, Cosmo, Farmer.

Region No. 10

ADRIAN, Simon Clifford, Amerindian Captain.
ASHBY, Cedric, Manager.
BARKER, James, Process Foreman.
BENFIELD, Donald, Foreman.
BYRNE, Albertina, Basket Maker.
CHAPMAN, Norman, Electrical Contractor.
DANIEL, Patricia, Stenographer.
HINDS, Denzil, Minister of Religion.
JAMES, Horace, Mining Engineer.
JOHNSON, Patrick, Foreman.
JOSEPH, Effie, Vendor.
KISSOON, Ramesh, Mining Engineer.
McKENZIE, Roy David, Mechanical Foreman.
PETERS, Leslie, Production Foreman.
SANDY, Randolph, Carpenter.
STEPHENS, Anthony, Building Contractor.
THOM, Joycelyn, Teacher.
WILLIAMS, Sybil, Vendor.

BACCHUS, John, Anna Catherine, West Coast Demerara.
PERSAUD, Seetal, Parika, East Bank, Essequibo.
JEWNANDAN, Budram, Palmyra, Wakenham.
RAMRATTANA KBALKARRAN, Thierens Leguan.
TRUBHOWAN, Phoenix, Leguan.
SARABJEET, Northern Hogg Island.
RAMDASS, Hooiball.
SHREECHAND.
DASTAGIR, James Mohid
RAMSAMMY, Lawrence
BRITTON, Herbert.
KHAN, Mohamed Omar.

Region 5

GANPAT, ChandBall.
DOOKIE, Mohan.
ALLY, Rahamat.
RAMDASS, Kisanram.
SINGH, Bhogpartap.

Region 6

MAHADEO, Budhran.
ALI, Muntaaz

Region 4

STANDFORD, Cecil Desmond.

DOUGLAS, George McGarrel.

MORIAH, Clifton Orville.

MOTIE, Bunlee.

RAMBARAT

RAMKISSOON, Kawai Persaud.

RAMSARUP, Partapnarin.

SINGH, Ramessar.

NARAI, Pournan.

Region 7

ALLI, Husman.

UF

CSO: 3025

DEVELOPMENT BANK GETS GOOD MARKS FROM EEC

Georgetown GUYANA CHRONICLE in English 3 Jan 81 pp 8-9

[Text]

THE GUYANA Agricultural and Industrial Development Bank [GAIBANK] has reported that its performance for last year could only be termed as excellent despite various operational constraints.

The bank was able to process and approve some 856 applications for loans to small farmers in comparison to 752 for the corresponding period in 1979. This represents a 13 per cent improvement.

However, the bank's overall activity skyrocketed a satisfactory 56 per cent for last year, and this has come at a time when small farmers are seeking loans from the institution to step up agricultural production.

SATISFIED

A team from the European Economic Community [EEC] which investigated the activities of the bank, the Guyana Marketing Corporation, and the Ministry of Agriculture, reported that they were 'most satisfied' with the bank's performance during 1980.

It said that management had demonstrated a well organised system of lending and administration, and generally operated in a professional manner. With that encouragement from the international team, the management has vowed to process and approve applications for loans in less than three weeks in keeping with other lending agencies in the World.

Bank Chief John Yates, and Senior Managers, Ivan Carter and Vic Nemdhari, said during a press briefing on December 31 that the bank would receive nearly \$45 million from international organisations like the United States Agency for International Development, and the Inter-Development Bank.

TRAINING

But the cost of agricultural machinery like tractors and combines coupled with serious shortages of professional staff have been some of the major constraints affecting the bank. On the other hand training courses both local and overseas for some 82 workers over the last 12 months cost management some \$60,000.

And during 1981 serious considerations will be given to meeting farmers with a view to rendering assistance wherever necessary. Cde Yates said that emphasis would be shifted from allowing farmers to know about the institution's activities through the news media, to a system of having the bank's officer going out into the agricultural communities and meeting with farmers on a more personal basis.

BRIEFS

PRESS CHARGES GOVERNMENT HARASSMENT--Serious charges have been leveled against the new Jamaican government by the Jamaican Press Association in connection with the harassment and intimidation of Jamaican mass media workers. The seriousness of the charges and the threats to freedom of the press in Jamaica required an emergency meeting of the Press Association. The outcome were the charges against the government of Prime Minister Edward Seaga. The Jamaican Press Association also decided to inform the National Council of Churches about the dismissals, intimidation and harassment of newsmen by the Seaga administration. [Text] [FLO31152 Havana Domestic Service in Spanish 1100 GMT 3 Feb 81]

CSO: 3010

NICARAGUAN ENVOY INTERVIEWED ON NEW DELHI NONALIGNED MEETING

FL042251 Havana Domestic Service in Spanish 2132 GMT 4 Feb 81

[Text] A report filed from New Delhi by our Comrade Pedro Martinez Pires stresses that the new U.S. Government's reactionary strategy for the Central American and Caribbean region will be reported by Cuba at the debates of the nonaligned countries conference.

Victor Hugo Tinoco, who is the Sandinista government's permanent representative to the United Nations and chief of the Nicaraguan delegation to the ministerial conference at the Indian capital, told the representative of the Cuban Radio and Television Institute that condemnation [of said strategy] has to be expressed in some way in the final documents of the conference which opened today [as heard]. He also condemned the economic and military assistance that the United States is giving to the Salvadoran junta, thereby prolonging the suffering of the Salvadoran people.

The Nicaraguan diplomat accused the United States of interrupting loans and blocking Nicaragua at international organizations.

In an interview with our special correspondent Pedro Martinez Pires, the Nicaraguan ambassador to the United Nations, Victor Hugo Tinoco, expressed the importance of the conference being held in New Delhi. He emphasized that the conference is taking place at a time when Latin American nations which follow an independent policy are facing increasing U.S. threats of new economic aggressions and of the use of force.

Elsewhere in his interview for Radio RELOJ, the Nicaraguan diplomat said the New Delhi conference must also condemn the illegal U.S. blockade against Cuba and the maintenance of Yankee military bases in Puerto Rico, Cuba and Panama.

He added that the nonaligned movement's support for Belize in its legitimate right to attain independence this year as well as for Puerto Rico's just aspiration of self-determination and independence must also be reaffirmed at the conference.

The Nicaraguan representative at the New Delhi conference, Victor Hugo Tinoco, told our Comrade Martinez Pires that Panama must demand from the United States strict compliance with the canal treaties it signed with the Isthmian government.

He recalled that this year marks the 20th anniversary of the emergence of the non-aligned countries movement. In this regard, he emphasized that the principles of nonalignment, anti-imperialism, anticolonialism and antiracism are the pillars of the foreign policy followed by the Sandinista government since the revolutionary triumph of 19 July 1979.

Martinez Pires' report concludes explaining that with the opening of the nonaligned ministerial meeting in New Delhi today, Nicaragua was elected to chair the political committee.

CSO: 3010

NEW FOREIGN MINISTER COMMENTS ON CANAL TREATIES

PA281958 Panama City MATUTINO in Spanish 28 Jan 81 p 1-B

[Article by Roberto R. Rodriguez: "We Will Promote Ideals of Unity and Integration"
--quotation marks as published]

[Text] Dr Jorge Illueca, the new foreign minister, made statements to this newspaper in his office yesterday. He said that "one of the priorities not only of the Foreign Ministry but of the Panamanian Government is the implementation, as planned, of the letter and spirit of the Torrijos-Carter treaties."

The Panamanian stand regarding the proper compliance with the treaties has been clearly expressed by President Royo in public letters to the former Carter Administration." Illueca said after noting that the two governments have evidently found difficulties in the implementation of the treaties, and that the Panamanian Government is making efforts to review all the aspects of the so-called Murphy Law which has resulted in the problems mentioned by the Panamanian president.

However, the Panamanian foreign minister said that he does not want to make any re-criminating or inflammatory statements at this stage, now that all the countries of the world, even the most powerful, are watching to see how the new U.S. administration acts to meet the problems being confronted by mankind.

"This is not an exclusive Panamanian stand but a stand that responds to the framework of international relations of our kind.

Later on, in referring to the situation in Central and Latin America, Illueca said that the Panamanian policy responds to a tradition of being conciliatory and a promoter of the ideals of unity and integration in Latin America.

"For this reason, you see that sometimes individuals and missions of various countries arrive here seeking advice and solutions. We have even given asylum to individuals who have been fighting in their countries for their ideals and they feel they can come to Panama because of special circumstances," he added.

"Panama--"the foreign minister noted--"is a bridge of understanding, and harmony and continues to be a horizon of hope."---"Perhaps some are afraid of that and think that Panama is a breeding ground of subversion but it is not so; Panama is solving a problem for the continent." Illueca concluded by saying that it is evident that in order to have peace, every man must have a horizon of hope and when the horizons of hope are closed, then violence is resorted to.

CSO: 3010

SOCIAL SECURITY OFFICIAL ON U.S. TREATY VIOLATIONS

PA292319 Panama City Circuito RPC Television in Spanish 0010 GMT 29 Jan 81

[Social Security roundtable discussion with the participation of Ricardo Fabrega, Social Security Service planning director; Camilo Amado, industrialist; Abraham Saied, Social Security Service general director; Phillip Dean Butcher, secretary general of the Confederation of Workers of the Republic of Panama and newswomen Migdalia Fuentes, chief editor of LA PRENSA; Orlando Kivers, acting director of LA REPUBLICA; Ivan Zurita, representative of Televisora Nacional and Jose Lopez Palma assistant director of CRITICA--live]

[Excerpt] [Ivan Zurita] The question is directed initially at Doctor Saied, but we would like for Mr Butcher to say something afterward, if possible, regarding the position of the workers on this subject. Last week the U.S. Armed Forces announced its decision to deduct from the canal area workers the second portion of the 13th month which would be a violation of Panamanian laws. They refuse insistently to pay the management quota they are supposed to according to Panamanian laws, thus affecting thousands of workers. What action will the state, the Social Security take regarding this challenge?

[Saied] We have been negotiating with U.S. officials at various levels, including the U.S. Ambassador in Panama, so that all legal obligations of the treaty will be fulfilled, especially the Social Security law. In a difficult and trying struggle, we have managed to get the enterprises which function under Department of Defense to pay the worker-management quota corresponding to the date of implementation of the new treaties to date, but not the management quota that pertains to the 13th month, which they tried not to pay raising different excuses for not doing so. One of these is that they do not have a 13th month and that this quota corresponds to the second portion of the 13th month. Another reason is that the U.S. Congress has not approved this allocation. Another reason is that the salaries of the workers in the Canal Zone [as heard] in some cases are higher than corresponding wages in Panama and, consequently, it is as if they were granted a 13th month. The position of the Social Security is that none of these arguments is valid. They are all illegal and none are justified. We will not accept management quotas that stem from deductions made on the workers' wages, from either Panama or from the United States. Therefore, the propose deduction from the workers, aside from constituting a violation of the treaties of our laws, is a threat to the income and social security of the workers from whom the quota would be deducted.

I do not think that the groups of organized workers in the Canal Zone are in agreement either with this unilateral and coercive measure.

[Butcher] I can assure you that the workers in the area of the Panama Canal are opposed to the deduction of this second portion of the 13th month to pay the Social Security. We would even go farther and say that when the 13th month was enacted, it was done with the idea that it was a bonus to help the worker offset the high cost of living. Those workers under the Social Security in the canal area, who began working after 1 October 1979, are receiving a much lower salary than those who were working in September. We would ask even more, not only that the government pay the second portion of the 13th month to the Social Security, but that it also pay the first and third portion for those workers who began working after 1 October 1979.

CSO: 3010

LABOR LEADERS DISCUSS TREATY IMPLEMENTATION ISSUES

PA031938 Panama City Circuito RPC Television in Spanish 1730 GMT 1 Feb 81

[Mayin Correa "Special Edition" program with former treaty negotiator Carlos Lopez Guevara and union leaders Luis Anderson and Saturnin Mauge--live or recorded]

[Excerpts] [Correa] I began this program last Sunday reporting that the Canal Commission recently said officially that Panama will not receive \$4 billion over 20 years, that is, from now until the year 2000, at a rate of \$200 million per year because the Panamanian workers' wages have been lowered. That is so because it has been decided, instead of raising the tolls collected from the ships that transit the canal, that our workers cover the benefit fees paid to Panama; in other words, our workers are paying for the increase in the economic benefits derived from the Torrijos-Carter treaties.

That is what I said and my guests spelled out how this labor situation began with the setting of wages by a civilian personnel commission before the treaties were approved and which the Murphy law legalized. You also mentioned a number of violations. Of course, we didn't finish as we didn't finish Mr Mauge's explanation of how the \$4 billion was estimated. How did the Canal Commission reach the conclusion that that was what the Panamanian economy would fail to receive in 20 years?

[Mauge] Local 900 and Local 907 have met with the treaty implementation department many times to protest the continuation of the so-called canal area wage scale because, in our opinion, those are not the wages that the canal area workers should receive. The members of the Canal Commission Executive Board, during a meeting held, I think, in the United States, discussed the union position because Panama had proposed that freezing the \$2.90 base pay and the nonapplication of the scale in effect before the Torrijos-Carter treaties went into effect were not right. Then the Canal Commission's personnel commission decided to conduct a study of whether it was possible to continue paying \$2.90 with a yearly 2-percent increase, whether it was possible to continue with the old scale in effect before or whether nothing should be done.

They said they surveyed the wages paid to various company workers in Panama and whether there was any problem in recruiting new employees as part of the study. Based on the study, they decided that there is no problem to recruit new employees

for the Canal Commission and that, if they continued to pay the wages in effect before the treaty went into force, Panama would lose \$4 billion by the year 2000. We estimate that what the Canal Commission is doing is: instead of letting the maritime or transnational companies pay for using the canal and instead of the Panamanian workers receiving the benefits that the Torrijos-Carter treaties are supposed to bring, the workers are paying for all those costs with their work. We think that is unfair and the Panamanian members of the Canal Commission have realized this and Panama's position before the executive board is that the United States is violating the treaty and it should pay the wages in effect before the Torrijos-Carter treaty went into force.

[Correa] Time is almost running out. The other question I had concerns the fact that the canal pilots union went on strike--I am reading from a newspaper--leaving 182 ships without transit assistance so they could get a \$2,000 a month raise. I know one who earns \$125,000 a year. They have a union. They are entitled to exert pressure and did so. When we saw the ships stranded there, there was talk that they were stopped but the truth never came out. The pilots were pressuring because they were involved in collective bargaining. With their strength, they stopped everything. People were saying the canal isn't any good any more but that was not the case. The pilots were just on strike and we were not clearly told that. That is what happened.

I ask you unionists, leaders of two very powerful unions, would it not be a way to show strength vis-a-vis the violations of the treaties on the part of the United States, a way to show that your unions have the strength that the pilots have, for instance.

[Mauge] I think that will come. We are waiting for the Canal Commission Executive Board's decision because they have to make some very important decisions concerning Panamanian workers on wages, on the payment of the second part of the 13th-month bonus, the elimination of the tax factor and promotion opportunities in the Canal Commission. I think a time will come when Panamanian workers will have to decide to stop or close the canal because we have held several discussions. We have tried through analysis, meetings, conferences and through talking to the Canal Commission to improve the workers' situation, but if they do not heed us or do something then we are going to convene a joint meeting--I am now giving notice to Companero Anderson [Chuckles]--and we will explain to the Panamanian workers that the decision is up to them.

[Anderson] Mayin, it is noteworthy that the pilots did not go on strike. General McCauliffe, the canal administrator, was even interviewed on U.S. television and strongly denied that they had gone on strike. Our opinion, and this is a very important opinion....

[Correa] Excuse me, I don't know if I said strike but it was a way to exert pressure, almost a strike.

[Anderson] Yes. They slowed down work and canal transit was very slow. They followed every single rule, and it was a way to exert pressure. As Companero Mauge said, I think we are coming to a point where we are going to consider such a measure for the first time in the history of the Panama Canal if the U.S. Government agencies insist on their attitude of hurting Panamanian workers because of the effects that this has.

We do not have to think only about how this hurts an individual worker, which is our problem, but we go further than that and we see that this is frustrating one of the fundamental things about the treaty; in other words, that Panama should enjoy the benefits of its geographic position, its major natural resource, and that is being denied by taking money out of the workers' pockets to make direct payments to Panama. That is frustrated because what is done is to juggle dollars around, but Panama does not receive more benefits from the treaty due to the labor policy followed since 1 October.

In closing, I want to say that there is another major concern, which is Panama's growing participation not only as a nation but also in the sense of giving greater opportunity to the Panamanians who are already working to climb to positions of greater responsibility. In the Defense Department and in the Canal Commission, Panamanians who are fully competent and qualified are being denied promotion to positions of greater responsibility or administrative positions. This is something else contemplated in the treaty which is not being implemented.

CSO: 3010

PRESIDENT, LABOR LEADERS DISCUSS RELATED PROBLEMS

PA290407 Panama City Televisora Nacional in Spanish 2315 GMT 28 Jan 81

[Text] President Royo spoke with labor leaders today and discussed various problems. The meeting was held at the presidential offices and President Royo was accompanied by Labor Minister Oyden Ortega. The National Council of Organized Workers (CONATO) Commission was composed of Phillip Dean Busher, Luis Anderson, Angel Gomez, Rolando Lopez and Fernando Falcon of the various national labor centrals.

The leaders informed the president of the conclusions of the national meeting held last weekend. They requested the provisional suspension of law 95 and they requested an alternative for a salary increase. They also asked for the freezing of the price of staple goods as well as other measures against the high cost of living.

President Royo praised the mature attitude of the CONATO leaders who presented their requests in a sober manner and who sought solutions for the same. Royo said we must begin to immediately study alternatives for salary increases, with the direct participation of the workers.

With regard to law 95, he said that it is up to the Legislation Council to decide on the problem of a provisional suspension.

President Royo finally reasserted his decision to remain in permanent consultation with the organized workers on these matters and on the violations of labor laws by the Panama Canal Commission and by the U.S. Department of Defense which were also protested by the CONATO leaders.

CSO: 3010

LABOR LEADERS' MEETING ENDS; DECISIONS OUTLINED

PA271419 Panama City Televisora Nacional in Spanish 2315 GMT 26 Jan 81

[Interview with labor leader Luis Anderson, chairman of the organizing committee of the second national meeting of labor leaders, at end of 3-day meeting at National University by Ivan Zurita; date and place not given--recorded]

[Excerpt] [Question] Mr Anderson, what conclusion was reached by the meeting of labor leaders, particularly as regards the high cost of living and the validity of law 95?

[Answer] First of all, as chairman of the organizing committee of the second national meeting of labor leaders, I can say that we believe the meeting was a great success. After an in-depth analysis, the participants reached the conclusion that law 95 has not fulfilled the purpose for which it was created and that it is therefore completely unjustified.

In brief, I can tell you that a number of specific consecutive actions were decided upon to bring about the total repeal of the law. These actions range from the presentation of draft laws to the national legislation commission, to other mass actions such as demonstrations, nationwide strikes for an intermediate duration to even, possibly after all other resources have been exhausted, a general strike for an indefinite period.

With regard to the other subject that is of such great importance, not just to the working class but also to all sectors of the nation, that is, the high cost of living--the members feel that it is necessary for there to be a freeze on the price of staples. The participants also feel that in order to adjust wages to the prices currently prevailing in this country there must be an across-the-board wage increase of at least 50 balboas.

We also feel that it is very important for our country to expand its foreign trade in such a manner as to purchase or sell wherever prices are best, both for purchasing as well as selling. In other words, it must be said clearly that this does not exclude the socialist countries, for example, simply because there are certain political and ideological differences, because this would increase the inflationary spiral and the negative effects of inflation.

CSO: 3010

WPC BUREAU MEMBER JAEN VIEWS NONALIGNED CONFERENCE

PA041502 Panama City LA REPUBLICA in Spanish 1 Feb 81 p 4-B

[Interview with Marcelino Jaen, observer at the nonaligned foreign ministers conference in New Delhi from the Latin American peace movements, by Jose Franco--date and place not specified]

[Excerpts] [Question] What type of relations exist between the nonaligned countries and the WPC?

[Answer] In truth my trip to India has a specific motive. As I said before, I am a member of the bureau of the WPC.

[Question] Are you taking some message to the Third World countries?

[Answer] Our delegation has been invited to attend the conference with only the right to speak because this is a conference of foreign ministers of the Third World. Nevertheless, my specific objective is to take advantage of this international forum to reiterate the message of the National Committee for the Defense of Sovereignty and Peace (CONADESOPAZ) to the representatives of the brother peoples of the Third World. It is the message of peace and of respect of laws and the desire of peoples. It is our message of solidarity with other peoples in defense of human rights. I will tell them of our renewed struggle in defense of the permanent respect for our sovereignty and our self-determination as established in the Torrijos-Carter treaties and our unwavering position in defense of peace and rejection of anything that means intervention in the sovereign and free life of the countries of the world.

I will also tell the Third World representatives of the struggle that the Salvadoran people are waging to liberate themselves from the dictatorship, of the Central American situation that is being darkened by the reactionary and oligarchic forces which oppress the Central American peoples and of the charges against fascism that has taken over in the southern cone, strangling the freedom of those peoples and trampling human rights and all traces of freedom and peace in that long-suffering region of America.

[Question] What other matters will you discuss during your tour?

[Answer] I have been invited to participate in meetings of the peace movements of Nicaragua, Mexico, the USSR, Bangladesh and Germany, where I will be in touch with representatives of the WPC. In some of these places, meetings of the WPC are being planned because our organization currently includes more than 130 countries of all continents at the level of their peoples. Our organization is an organization of the masses, of peoples struggling for the principles of peace and an end to the arms race. In all the countries we will visit we will get in touch with the peace forces and we will tell them of the political, social and economic situation of our America. We will exchange experiences and methods of struggle and we will reiterate our solidarity with all those countries where the forces of peace are active, thus benefiting the world.

[Question] What can you tell us regarding Panama?

[Answer] In exercising the right to speak which has been granted to the WPC, I will tell the people at the conference and the international public through the press and other media, about the violations of the Torrijos-Carter treaties that our government and Panamanian President Aristides Royo have already denounced.

I will do so because all Panamanian patriots have the duty of denouncing anything that signifies a violation of our sovereign rights as established in those treaties, rights for which we have waged a constant struggle that has cost the Panamanian people so much grief and blood.

I think the whole world should know what the revolutionary government has done and be aware of the attacks neocolonialism and imperialism are still making on the Panamanian people and government, because many countries supported our country in its struggle to recover its territory and full respect of its political sovereignty.

We will also tell all those countries and brother peoples of the canal neutrality agreement which is part of the Torrijos-Carter treaties, since in the view of the organization I represent it is one of the best and most expeditious ways to maintain peace, the main and unvarying objective of our organization.

At this time the solidarity of peoples is more urgent than ever in the face of the convulsions shaking a society whose crisis is caused by the big interests and ambitions of the developed countries in opposition to the interests of the big abandoned majorities. Therefore, it is hoped that the conclusions to be reached at the non-aligned meeting will not become a dead letter but will be fully implemented.

CSO: 3010

BRIEFS

NEGLECT OF WORKERS CRITICISM--[Interview with Phillip Dean Butcher, secretary general of the Confederation of Workers of the Republic of Panama, 2 February--recorded]
[Question] You recently held a dialogue at the highest official level. What is the opinion of labor leaders regarding President Aristides Royo's 2 years of administration? [Answer] We feel the administration of His Excellency Aristides Royo is not meeting the workers' needs as they should. For one thing, it is not granting adequate salary raises to workers so they can cope with the high cost of living. Second, regarding trade union freedom, some of our unions have been asking for legal recognition for a long time and the matter has not been resolved, such as the case of the bank employees. [Excerpt] [PA032008 Panama City Televisora Nacional in Spanish 2315 GMT 2 Feb 81]

CS0: 3010

BRIEFS

MEETING ON TREATMENT OF PRESS--Newspaper publishers and editors in Suriname have called on the country's government to take the press more into its confidence. The newspapermen say if the step is taken by the Surinamese authorities, it will prevent conflict between the press and the government. The statement by the newspapermen was made during a recent meeting with Suriname's President Henk Chin-a-Sen. The meeting was called after a protest note was sent to President Chin-a-Sen on the detention of two journalists. A statement published after the meeting said that the president gave the delegation a good hearing and asked the journalists to recognize the work of the government and try to influence the population more about developments in the country. The statement also said that the president will be having weekly meetings with the publishers and editors to brief them on background information on the policy of the new Surinamese administration. [Text] [St George's Domestic Service in English 2300 GMT 3 Feb 81]

CSO: 3010

RED FLAG GUERRILLA ACTION TO BEGIN IN EASTERN REGION

Caracas EL NACIONAL in Spanish 14 Jan 81 p D-3

[Text] Barcelona (special report)-- The renewal of guerrilla operations in the eastern region of Venezuela was announced by the "Red Flag" group in a document published in regional newspapers today, along with reports of a press conference held by Gabriel Puerta Aponte, in a mountainous region whose location was not revealed.

According to the local newspaper accounts, Gabriel Puerta Aponte, speaking in the name of the "Americo Silva Guerrilla Front," said that the guerrillas will be operating in the mountain regions of Anzoategui and Guarico; he harshly criticized the leftist sectors that have accepted a legal status and are seeking elections as an alternative in their drive for power.

Puerta Aponte is reported to have said that those who are under his command "are not the only people bearing arms," and that "in the next few years, the guerrillas could be a decisive factor in the Venezuelan revolution."

Judging by what happened today, the only journalists in Anzoategui invited to the press conference were Israel Quijada and Hernani Hidalgo, but reporters from papers in Guayana and Valencia, in the state of Carabobo, also attended.

The "Red Flag" group, according to the accounts published today, has apparently decided to "intensify the armed struggle in the east." The regional head of the DISIP [Directorate of Intelligence and Prevention Services], Hernani Escobar, and other official spokesmen had considered this guerrilla activity to have been eliminated.

So far, there has been no official reaction to the statement of the self-declared "Americo Silva Guerrilla Front," which was given widespread publicity today.

Puerta Aponte, according to the report by our colleague Israel Quijada, admitted that the only actions conducted by this armed group in 1980 were the frustrated attacks on a bank in Cumanacoa and on a unit transporting bank papers in Guayana. In these actions the former guerrilla leaders Faustino Lugo Guerra and Luis Calma were killed. The guerrilla leader allegedly denied any participation by this subversive organization in the attack on the LAV [Venezuelan Air Lines] plane which last December was diverted to the Higuero airport, with 108 passengers on board.

Statement by the Governor

"There is in the nation a formal policy of pacification, so that all those Venezuelans who in one way or another had taken to arms, may rejoin our democratic society, as many have already done," said the regional governor, Guillermo Alvarez Bajares, in commenting today on the announced reactivation of the subversive "Red Flag" group in the eastern region.

Interviewed by local journalists as he was leaving the Te Deum commemorating the 35-year anniversary of COPEI [Social Christian Party] held at the Carmen Hermitage in Barcelona, the governor Alvarez Bajares termed "lamentable" the fact that some Venezuelans are still turning to arms as a means of struggle.

"It is lamentable, because in Venezuela there has existed and there now exists," he said, "sufficient opportunity for everyone to defend his political position in an open and public way."

Governor Alvarez Bajares thus alluded to the statements that the leader of the Americo Silva Guerrilla Front, Gabriel Puerta Aponte, made in a press conference he held in the eastern mountains, announcing that the Red Flag group will resume its actions against the government's democratic system.

"It is good to remember that violence engenders violence," said Alvarez Bajares, pointing out that the government and the armed forces will respond with firmness to any attempt to subvert the established order.

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REASONS FOR, EFFECTS OF BANDAGRO COLLAPSE REPORTED

Caracas RESUMEN in Spanish 25 Jan 81 pp 5-6

[Article by Jose Suarez-Nunez]

[Text] BANDAGRO [Agricultural and Livestock Development Bank], which has a capital of 100 million bolivars, has suffered a severe economic collapse, because of overdrafts and loans to its customers of up to almost 20 billion bolivars.

The Venezuelan state will come to its rescue with an economic boost, by paying its debts to foreign banks, which come to 2.3 billion bolivars.

There were a variety of reasons behind its collapse. We have been informed that former presidents and top executives of the institution were making loans to themselves, either directly or through firms which they controlled from the background.

Although no precise details are available, it has been charged that one of these loans to a former president of BANDAGRO came to 30 million bolivars.

About 30 international bankers from the United States, Canada, Great Britain, Holland, West Germany, Italy, France, Japan, and Spain were present at a press conference called by the head of BANDAGRO, Waldemar Cordero Vale, on Thursday, 15 January. They had guessed what was happening, and were invited so that they could be reassured that their money was safe, because the Venezuelan state was taking on responsibility for these debts.

One "modus operandi" was to authorize huge overdrafts to clients with modest accounts, who would then convert them into long-term loans in order to legalize this irregularity. BANDAGRO has 27,000 customers and the loans of about 1,300 of these customers can be considered unrecoverable losses, over a period of 7 years.

The president of BANDAGRO, Waldemar Cordero Vale, said that rural producers owe about 5 billion bolivars, of which about 3 billion could be recovered, depending on the harvests.

The general comptroller's office spent 4 months investigating these irregularities, which were made public by information from the journalist Hugo Lopez of EL NACIONAL, upon noticing the nervousness of the international bankers who are creditors of BANDAGRO.

During this press conference the president of BANDAGRO was accompanied by the vice minister of finance, Ali Casanova, and the superintendent of banks from the ministry of finance. He stated that BANDAGRO was in a state of crisis, and said that they will deal honestly with debtors. He said they would start to revitalize the bank by cutting its administrative payroll and by reviewing the credits granted and the promptness of repayments.

Apparently BANDAGRO had become a bottomless pit from which a number of favored groups obtained loans. Cordero Vale said that not only politicians from all the parties put pressure on the bank to obtain funds, but that some loans were granted to journalists.

BANDAGRO's portfolio of loans is about 3 billion bolivars. Its loans are granted for terms of 3 to 8 years at interest rates of 8 to 9 percent. It has been rumored that many of the recipients of these loans did not use them for agricultural and livestock development, but rather that they took advantage of the high interest rates on the world market, and invested these loans abroad at fixed terms.

This press conference can not be considered a model from the financial and banking point of view, because there was no precise information given on the quantity of delinquent accounts, of credits lost, or on the recipients of funds who are now being investigated. It is known that many of the customers have died, others have disappeared, and still others, as is customary, are delinquent in their loans granted by the state.

A large number of loans were granted because of political and economic pressures.

It was learned that the quality of the recipients of these funds was often not the most desirable from a financial point of view. To get a correct idea of the delicate role played by BANDAGRO and the high risks it has to run in its operations, we should mention that it has to finance small and medium-scale farming operations which are subject to drought, floods, and disease, which can not be foreseen. When added to these problems, BANDAGRO's lack of organization and favoritism produced this situation.

In the most recent economic cabinet session held on Monday, 12 January, a decision was made to intervene in BANDAGRO, because the situation had become financially untenable when the Central Bank had to deposit 80 million bolivars in the clearing-house so that BANDAGRO could continue to function. There are cases of fraud involving BANDAGRO now in the courts, and it has been calculated that about 20 million bolivars were granted in overdrafts to customers with small current accounts.

It was pointed out that there were internal problems caused by pressures applied by economic groups seeking to control the institution. The new president of BANDAGRO, Waldemar Cordero Vale, was unwilling to sign a good number of loans, because these were only brought to his attention for his signature, after a decision had already been made by the board of directors. He was not always in agreement with these decisions.

BANDAGRO has a rather singular history. There is the coincidence that its last three presidents, Luis Jose Oropesa and Luis Fernando Yopez (during the previous 5-year period) and Orlando Alvarez Pereda (from the present administration, the predecessor of Waldemar Cordero Vale) have very strong ties with a powerful economic group based in the central western region.

During the past 5-year period, a large package of agricultural credits issued at 3-1/2 to 4 percent was diverted to the industrial and manufacturing sector. Persons affiliated with the three past presidents received about 70 million in funds, which, even though they may have been handled correctly, still shows a great deal of favoritism, since this central western group has ties with the Uribante group, which is a powerful organization in the Andean region, and which itself has close connections with an Andean credit corporation.

It was reported that high-ranking BANDAGRO executives recommended increasing the bank's capital to 500 million bolivars so that the institution's financial capacity would enable it to continue to issue loans, thus carrying this policy to the brink of the abyss. A reliable source from BANDAGRO said that the only thing that had happened in the previous administration to activate the bank was to "get it further in debt."

Another of BANDAGRO's critical times came when it wrote off 3.4 billion bolivars in debts, which in banking language means a total loss. A witty banker commented that these "forgotten debts" went to line the pockets of the "Caracas farmers and livestock ranchers who are very fond of small private planes and apartments in Coral Gables and Miami Beach."

A large part of the 60,000 to 80,000-bolivar credits, the normal loan made by BANDAGRO, ended up in financial ruin because in most of these cases, no recovery has been made. In the last 10 years not even 5 percent of these funds have been recovered. BANDAGRO has been losing money on interest, late payments, and capital repayments, leading to its present collapse, which forced the economic cabinet to recommend intervention in the bank in order to restore sound banking and financial practices to BANDAGRO.

RESUMEN spoke with an engineer, Roseliano Ojeda, who said that during the past administration BANDAGRO became entangled in an unending course of economic and financial mistakes. The agricultural and livestock associations could have slowed down this fever of "applying for agricultural credits and using them for other purposes," but the government kept them quiet.

"When the new administration started, BANDAGRO then had 8 billion in debts payable. Two mistakes were made. The first was to have allowed this figure to reach 8 billion, and for this the board of directors, who represent FEDEAGRO [National Federation of Agricultural and Livestock Producers] and the Livestock Producers Federation must accept a share of the responsibility. Their second mistake, made in this administration, was that they did not publicly discuss the disaster facing BANDAGRO.

"From 70 to 80 percent of the BANDAGRO credits are in a situation of delinquency or insolvency," added Roseliano Ojeda, "and this happened because two fundamental requirements of banking practice were not met. The first is to submit plans for a project, and the second is to have technical assistance. And now we have the catastrophic results. During those times the flow of credit applications reached epidemic proportions.

"Everything was done with BANDAGRO funds; credit was given to CORPO-MERCADEO, sugar mills were imported, the milk subsidy was paid, and it came to be considered an unending source of money. In the meantime, the associations kept quiet, and for this they must bear some responsibility. They should have objected to BANDAGRO's financial statements, but they all remained still. BANDAGRO's collapse, as we can see, is a blow to agriculture and livestock production. It was supposed to be an institution to promote agricultural development, and it was not."

While the comptroller's office is investigating the good faith involved in these credits and the procedures used, and the office of the superintendent of banks is issuing strict and sound standards governing banking practices used, this will all take time.

There are 27,000 small producers in the plateau of Guanipa, Monagas, Guarico, Barinas, and Apure, who grow sorghum, corn and peanuts. They are the ones who will suffer from these consequences. For in the year now beginning, to what financial institution can they turn to borrow for the summer harvest season?

The figures involved are significant, as they reveal the extent of this critical situation. At this time 60 percent of the food products that we consume are imported; 80 percent of the vegetable oil we use is imported: this amounts to 800 million in bolivars. We also have to import sugar, milk and other products. Twenty million tons of food are consumed by our population of 15 million inhabitants, and we only produce 8 million tons here; the rest has to come from abroad.

Just as BANDAGRO collapsed, food shortages could become alarming. For in order to plant we must irrigate, and every year it is essential to irrigate 450,000 hectares of land. But during the past 6 years, only 250,000 hectares were irrigated.

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EMPLOYMENT ESTIMATES FOR 1980-85 REPORTED

Caracas RESUMEN in Spanish 25 Jan 81 p 39

[Text] According to official forecasts, the number of new jobs is expected to increase by 903,000 during the 1980-85 period; thus, the number will go from 4,180,000 in 1980 to 5,083,000 in 1985, based on figures released in the preliminary version of the National Development Plan for 1981-1985, released by CORDIPLAN [Office of Coordination and Planning], General Directorate of Overall Planning.

This document states that "to achieve the primary goal of the Sixth Plan it will be necessary for the economy to generate a number of new jobs, enough to give jobs to the increase in the labor force during this 5-year period, and also to give paid jobs to part of the population that is now unemployed. This is essential, since well paid jobs are needed to carry out a policy of growth with good distribution.

"During the Sixth Plan, the construction sector will become the area which will provide the largest number of new jobs. It is estimated that the increase in jobs in this sector will amount to 205,000 persons during this 5-year period. This represents an average annual increase of over 40,000 persons.

"The service sector, which consists of trade, transport, finance, government and other private services, during the final year of the plan, will generate over 56 percent of the jobs. This will reinforce the historic trend perceived in this sector, which has the greatest responsibility for absorbing the increase in the Venezuelan population into the labor market.

"The sectors of trade and other services, which includes government, are the subsectors of the service sector which will absorb the largest number of jobs. To some extent, this is caused by the fact that productivity tends to remain constant, which produces larger growth in the product of those sectors with the largest number of jobs. During the Sixth Plan period, it is estimated that these two subsectors will increase their number of jobs from 1,982,000 persons in 1980 to 2,234,000 persons in 1985."

EMPLOYMENT: 1980-1985

Sectors	Thousands of Persons		Absolute Variation 1980-85	Mean Annual Rate 1981-85	Percentage	
	1980	1985			1980	1985
Hydrocarbons, mines, quarries	60	65	5	1.6	1.4	1.3
Agriculture	630	644	14	0.4	15.1	12.7
Manufacturing Industries	636	847	151	4.0	16.7	16.7
Electricity, gas and water	51	68	17	5.9	1.2	1.3
Trade, restaurants and hotels	753	879	126	3.1	18.0	17.3
Transport, storage						
Communications	296	395	99	5.9	7.1	7.7
Finance, real estate property, and services to businesses	180	241	61	6.0	4.3	4.7
Other services	1.129	1.355	226	3.7	27.0	26.7
Total employment	<u>4.180</u>	<u>5.083</u>	<u>903</u>	<u>4.0</u>	<u>100.0</u>	<u>100.0</u>
Labor force	<u>4.511</u>	<u>5.380</u>	<u>869</u>	<u>3.6</u>		
Unemployment	<u>331</u>	<u>297</u>	<u>34</u>	<u>2.1</u>		
Rate of unemployment	7.3	5.5				

Source: CORDIPLAN, General Directorate of Overall Planning.

BRIEFS

GURI DAM CONTRACTS--Ciudad Bolivar, 18 Jan (special report)-- The CVG [Venezuelan Corporation of Guayana] has worked out plans for the construction and completion of projects to expand the Guri dam, by means of a series of contracts, announced Dr Andres Sucre Eduardo, chairman of this corporation, in remarks made in this city. He said that these contracts will be coordinated by EDELCA [Caroni River Electrification Project], whose primary concerns will be the engineering work and social responsibilities for the project. Dr Sucre said that the project will be covered by four major contracts, including one for the concrete work and another for the machinery room. He announced that foreign firms will be involved in the project, and that 51 percent of the work will be in Venezuelan hands. [Text] [Caracas EL NACIONAL in Spanish 19 Jan 81 p A-1] 7679

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